



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
November 17, 2017

Michael H. Bray, Chair

Ronnie Richards, Member

Kiran Shah, Member

Sheila M. Vallés-Pankratz, Member

Donnie W. Wisenbaker, Member

**Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting**

November 17, 2017

ROLL CALL

	<u>Present</u>	<u>Absent</u>
Michael H. Bray, Chair	_____	_____
Ronnie Richards, Member	_____	_____
Kiran Shah, Member	_____	_____
Sheila M. Vallés-Pankratz, Member	_____	_____
Donnie W. Wisenbaker, Member	_____	_____
Number Present	_____	
Number Absent		_____

_____, Presiding Officer

**MANUFACTURED HOUSING BOARD MEETING
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1500 N. Congress, Capitol Extension Committee Room E2.028
Austin, Texas 78701**

November 17, 2017 11:00 a.m.

AGENDA

CALL TO ORDER, ROLL CALL

Chair

CERTIFICATION OF QUORUM

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. | Consideration and action to approve the minutes of the board meeting on September 22, 2017. | Chair |
| Item 2. | Presentation, discussion and action to approve the request from the Texas Manufactured Housing School (TXMHS) to continue as a Continuing Education Provider. | Jim Hicks |
| Item 3. | Presentation, discussion and action to approve the request from the Texas Manufactured Housing Association (TMHA) to continue as a Continuing Education Provider. | Jim Hicks |
| Item 4. | Presentation, discussion and action to approve adoption of proposed amendments to 10 Texas Administrative Code Chapter 80 for publication as adopted in the Texas Register. | Joe Garcia |

REPORT ITEMS

- | | | |
|----|--|------------|
| 1. | Executive Director's Report to include issues relating to operations, budget and performance of the Manufactured Housing Division. | Joe Garcia |
|----|--|------------|

PUBLIC COMMENT

Chair

EXECUTIVE SESSION

Chair

Note: The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.

- | | |
|-----|--|
| (a) | If necessary, the Board will go into executive session to discuss Personnel Matters pursuant to Sec. 551.074, Texas Government Code. |
| (b) | If necessary, the Board will go into executive session for Consultation with Attorney pursuant to Sec. 551.071, Texas Government Code. |

RECONVENE

Chair

Reconvene in public session and take action on any matters coming out of Executive Session.

ADJOURN

Chair

To access this agenda or request information, please visit our website at www.tdhca.state.tx.us or contact Sharon Choate, TDHCA/MHD, 1106 Clayton Lane, Suite 270W, Austin, Texas 78723, 512-475-2206, sharon.choate@tdhca.state.tx.us.

Individuals who require auxiliary aids, services or translators for this meeting should contact Nicole Krueger, 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 REGULAR MEETING OF THE
MANUFACTURED HOUSING BOARD**

On Friday, September 22, 2017, at 11:00 a.m., there was a regular meeting of the Manufactured Housing Board (the “Board”) at 1500 N. Congress, Capitol Extension Committee Room E2.028, Austin, Texas. Sheila Vallés-Pankratz presided. Ronnie Richards, Kiran Shah and Donnie Wisenbaker constituting a quorum, attended. Michael Bray was absent. The following Manufactured Housing Division (the “MHD”) staff were present: Joe Garcia, Kassu Asfaw and Sharon Choate. Veena Mohan attended from the Office of Attorney General.

Sheila Vallés-Pankratz called the roll and confirmed the presence of a quorum.

Sheila Vallés-Pankratz asked for a motion to approve the minutes from the board meeting on July 14, 2017. Upon motion of Ronnie Richards, duly seconded by Kiran Shah, the motion was unanimously approved.

Kassu Asfaw presented the FY 2018 Operating Budget to the board and recommended approval. Upon motion of Kiran Shah, duly seconded by Ronnie Richards, the FY 2018 Operating Budget was unanimously approved.

Kassu Asfaw presented the FY 2018 Administrative Services Agreement between the Manufactured Housing Division and TDHCA and recommended approval. Upon motion of Kiran Shah, duly seconded by Ronnie Richards, the agreement was unanimously approved.

Joe Garcia presented and discussed for approval the proposed amendments to 10 Texas Administrative Code, Chapter 80 for publication as proposed in the Texas Register for public comment. Upon motion of Kiran Shah, duly seconded by Ronnie Richards, the proposed rules were unanimously approved.

Joe Garcia presented and discussed for approval the proposed amendments to the Application for Statement of Ownership. Upon motion of Donnie Wisenbaker, duly seconded by Ronnie Richards, the amended Application for Statement of Ownership was unanimously approved.

Joe Garcia delivered the Executive Director's Report.

The Board did not go into an Executive Session.

The next board meeting was tentatively set for Friday, November 17, 2017, to begin at 11:00 a.m.

There being no further business to come before the board, the meeting was adjourned at 11:56 a.m.

Sharon Choate, Secretary

Approved:

Sheila Vallés-Pankratz, Acting Presiding Chair

Pursuant to Sec. 551.022 of the Texas Government Code, a copy of the transcript of the above mentioned meeting is public record and is available for inspection and copying on request to the governmental body's chief administrative officer or the officer's designee.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION

Greg Abbott
GOVERNOR

Joe A. Garcia
EXECUTIVE DIRECTOR

Agenda Action Item No. 2

Board Members
Presiding Officer, Michael H. Bray
Ronnie Richards
Kiran Shah
Sheila M. Vallés-Pankratz
Donnie W. Wisenbaker

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

FROM: Jim R. Hicks, Director of Inspections, Compliance, and Education

THROUGH: Joe A. Garcia, Executive Director

SUBJECT: Texas Manufactured Housing School (TXMHS), Request for Approval to Continue as a Continuing Education Provider

DATE: November 7, 2017

Texas Manufactured Housing School, (“TXMHS”) is currently approved as a Continuing Education Provider offering both classroom and online classes until December 31, 2017. TXMHS has been an approved provider since November 10, 2003. TXMHS satisfies the statutory requirements regarding providing continuing education as set forth in Section 1201.113 of the Texas Occupations Code. Changes to the course include updated laws and rules.

The Department has reviewed the renewal submission, materials, and online course of TXMHS and recommends that its request be approved.



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION**

Greg Abbott
GOVERNOR

Joe A. Garcia
EXECUTIVE DIRECTOR

Agenda Action Item No. 3

Board Members
Presiding Officer, Michael H. Bray
Ronnie Richards
Kiran Shah
Sheila M. Vallés-Pankratz
Donnie W. Wisenbaker

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

FROM: Jim R. Hicks, Director of Inspections, Compliance, and Education

THROUGH: Joe A. Garcia, Executive Director

SUBJECT: Texas Manufactured Housing Association Request for Approval to Continue as a Continuing Education Provider

DATE: November 7, 2017

Texas Manufactured Housing Association (“TMHA”) is currently approved as a Continuing Education Provider offering online classes and in person classes through January 17, 2018. TMHA has been an approved provider since April 27, 2004. TMHA satisfies the statutory requirements regarding providing continuing education as set forth in Section 1201.113 of the Texas Occupations Code. Changes to the course include updated laws and rules.

The Department has reviewed the renewal submission, materials, and online course of TMHA and recommends that its request be approved.

Agenda Action Item No. 4

Preamble for Adoption of Proposed Manufactured Housing Rules

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

The Manufactured Housing Division of the Texas Department of Housing and Community Affairs (the “Department”) adopts without changes amendments to 10 Texas Administrative Code, Chapter 80, §§80.2, 80.3, 80.32, 80.33, 80.36, 80.38, 80.40, 80.41, 80.73, 80.80, 80.90 and 80.91 relating to the regulation of the manufactured housing program. The text to the adopted rules without changes will not be republished in the *Texas Register*. The proposed amendments were published in the October 6, 2017, issue of the *Texas Register* (42 TexReg 5297).

The rules are revised to comply with House Bill 2019 (85th Legislature, 2017 regular session) that amends the Manufactured Housing Standards Act and for clarification purposes.

The rules as proposed on October 6, 2017, are adopted as final rules and are effective thirty (30) days following the date of publication with the *Texas Register* of notice that the rules are adopted.

There were no comments received suggesting changes to the proposed rules during the comment period and no requests were received for a public hearing to take comments on the rules.

The Texas Manufactured Housing Association submitted a response in support of the proposed rules.

The following is a restatement of the rules’ factual basis:

Section 80.2(2): Clarification of the definition of business days.

Section 80.3(c): The term of lease-purchase is removed and the name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.3(g): The reference to the home previously being designated for business use is removed and the name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.3(h)(3): The name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.3(k), (1) and (2): The name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.32(b), (c), (h) and (u): Removed the reference to lease-purchase.

Section 80.32(d) and (g): The name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.32(p): The name of the Texas Manufactured Homeowners' Recovery Trust Fund changed to the Texas Manufactured Homeowner Consumer Claims Program (Claims Program).

Section 80.33(g): Additional responsibilities are added for contracting installers subcontracting the installation and included the requirement for provisional installers to submit a copy of the Notice of Installation to the Department's Field Office within three days of installation.

Section 80.33(h): The name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.36(a): The name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.38(b): Removed the requirement that the Governor of Texas must declare existence of an emergency, which allows the consumer the right to waive their three day right of rescission in case of an emergency, rather than only after a governor declared natural disaster.

Section 80.40(a): Made a correction in the last sentence by deleting the word "of."

Section 80.41(c)(4) – (8): Includes additional requirements for the licensing education course for related persons added to licenses.

Section 80.41(d)(1): Removed all the Continuing Education specific hour requirements.

Section 80.41(d)(2): Added requirement that all related persons added to a license must complete the eight hours of continuing education every two years.

Section 80.41(e)(4)(A): Removed language requiring fingerprints to be obtained prior to applying for a license.

Section 80.41(f)(1)(C): The name of the Trust Fund changed to the Manufactured Homeowner Consumer Claims Program.

Section 80.73(i): The new subsection allows a purchaser of a manufactured home for business use to file a complaint against the retailer if the home is not habitable, if they disclosed to the retailer in writing at the time of purchase the intent for a person to be present for regularly scheduled work of not less than eight hours.

The title of Subchapter F is changed from Manufactures Homeowners' Recovery Trust Fund to Manufactured Homeowner Consumer Claims Program.

The title of Section 80.80 is changed from Administration of Claims under the Manufactured Homeowners' Recovery Trust Fund to Manufactured Homeowner Consumer Claims Program.

Section 80.80(a), (b) and (f): Revised the name from Manufactured Homeowners' Recovery Trust Fund or the Fund to either Manufactured Homeowner Consumer Claims Program or the Claims Program.

The title of Subchapter G is changed from Statements of Ownership and Location to Statements of Ownership.

The title of Section 80.90 is changed from Issuance of Statements of Ownership and Location to Issuance of Statements of Ownership.

Section 80.90(a), (b) and (c): Changed the application name from application for statement of ownership and location to application for statement of ownership.

Section 80.90(d): Removes the requirement for certified copies of supporting documentation to accept just copies.

Section 80.90(e): Updates the name of Statement of Ownership and Location by removing "and Location" and includes the term Certificates of Attachment as automatically converting to the new document of title, the Statement of Ownership.

Section 80.90(f), (g), (h) and (i): Updates the name of the Statement of Ownership and the application by removing "and location."

Section 80.90(j): Adds new subsection stating the executive director may require an affidavit of fact requesting additional documentation to accompany a statement of ownership application.

Section 80.91(a): Changes SOL to Statement of Ownership.

The amended rules are adopted under §1201.052 of the Texas Occupations Code, which provides the Director with authority to amend, add, and repeal rules governing the Manufactured Housing Division of the Department and §1201.053 of the Texas Occupations Code, which authorizes the board to adopt rules as necessary and the director to administer and enforce the manufactured housing program through the Manufactured Housing Division.

No other statutes, codes, or articles are affected by adoption of the amended rules.

The agency hereby certifies that the adoption has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Adoption: Manufactured Housing Rules

Effective: TBD

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

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SUBCHAPTER A. CODES, STANDARDS, TERMS, FEES AND ADMINISTRATION

§80.1. *Texas Manufactured Housing Standards Code.*

(No change.)

§80.2. *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) (No change.)
- (2) Business days--Includes every day on the calendar except Saturday, Sunday, and federal and state holidays. If there is a time limitation of five (5) days or less, within the Standards Act, it is business days unless specified otherwise.
- (3) - (26) (No change.)

§80.3. *Fees.*

(a) – (b) (No change.)

(c) Seal Fee: Except for an application by a tax appraiser or a tax assessor-collector, for which there is no fee, there is a fee of \$35 for the issuance of a Texas Seal for one manufactured home section. Any person who sells, exchanges, ~~lease purchases~~, or offers for sale ~~or~~; exchange, ~~or lease purchase~~ one or more sections of used HUD-Code manufactured homes manufactured after June 15, 1976, that do not each have a HUD label affixed, or one or more sections of a used mobile home manufactured prior to June 15, 1976, that do not each have a Texas Seal affixed shall file an Application for Statement of Ownership ~~and Location~~ to the Department for a Texas Seal and issuance of an updated Statement of Ownership ~~and Location~~. The application shall be accompanied by the seal fee of \$35 per section made payable to the Department.

(d) - (f) (No change.)

(g) There is a fee of \$150 for the inspection of a manufactured home which is to be designated for residential use ~~and after having been previously designated for business use or 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. 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~~.

(h) 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 as defined by §1201.453 of the Standards Act so that it may be designated for residential use.

(1) – (2) (No change.)

(3) The Department shall invoice the retailer for the charges incurred, and no Statement of Ownership ~~and Location~~ shall be issued until all charges and fees have been paid.

(i) - (j) (No change.)

(k) Fees Relating to Statements of Ownership ~~and Location~~. Each fee shall accompany the required documents delivered or mailed to the Department at its principal office in Austin.

(1) A fee of \$55 will be required for the issuance of a Statement of Ownership ~~and Location~~.

(2) If a correction of a document is required as a result of a mistake by the Department, there is no fee for the issuance of corrected document. 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.

(3) – (4) (No change.)

(l) - (n) (No change.)

§80.4. Advisory Committee.

(No change.)

SUBCHAPTER B. INSTALLATION STANDARDS AND DEVICE APPROVALS

§80.20. Requirements for Manufacturer's Designs and Installation Instructions.

(No change.)

§80.21. Requirements for the Installation of Manufactured Homes.

(No change.)

§80.22. Generic Standards for Moisture and Ground Vapor Controls.

(No change.)

§80.23. Generic Standards for Footers and Piers.

(No change.)

§80.24. Generic Standards for Anchoring Systems.

(No change.)

§80.25. Generic Standards for Multi-Section Connections Standards.

(No change.)

§80.26. Registration of Stabilizing Components and Systems.

(No change.)

SUBCHAPTER C. LICENSEES' RESPONSIBILITIES AND REQUIREMENTS

§80.30. All Licensees' Responsibilities.

(a) - (i) (No change.)

§80.31. Manufacturers' Responsibilities and Requirements.

(a) - (e) (No change.)

§80.32. Retailers' Responsibilities and Requirements.

(a) (No change.)

(b) At the time of signing a contract for the sale ~~or lease~~ of a manufactured home, the retailer must disclose to the purchaser, a notice of the existence of a Dispute Resolution Program through HUD, either on a separate document from the sales contract or it may be incorporated clearly at the top of the sales contract. Disclosure of this requirement should be acknowledged by the consumer.

(c) A retailer shall timely provide each consumer who acquires a manufactured home by sale ~~or~~; exchange ~~with, or lease purchase~~ the applicable warranty or warranties specified in the Standards Act and any warranty regarding the home itself shall specify whether the warranty includes cosmetic items or not and, if it does include them, whether there are any limitations or special requirements, such as a walk-through punch lists, excluded items, or the like.

(d) For each manufactured home taken into a retailer's inventory, a retailer shall maintain a copy of either a completed and timely submitted application for a statement of ownership ~~and location~~ to reflect the home as inventory or, once such a statement of ownership ~~and location~~ has been issued and received, a copy of that statement of ownership ~~and location~~.

(e) (No change.)

(f) (No change.)

- (g) 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. This does not relieve the retailer from responsibility. 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. This optional form is available on the Department's website.
- (h) On a new manufactured home and on any used manufactured home where the sale ~~or~~; exchange ~~or lease-purchase~~ includes installation, the retailer must specify in the applicable contract or an accompanying written disclosure the intended date by which installation will be complete and a designated person to contact for the current status as to the intended date for completion of installation. For new manufactured homes, the retailer is responsible for ensuring that a licensed installer warrants the proper installation of the home and performs the required site preparation.
- (i) - (o) (No change.)
- (p) In order to comply with the provisions of §1201.107(d) 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) 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 Homeowner Consumer Claims Program (the “Claims Program”), ~~the Claims Program s’ Recovery Trust Fund (the “Fund”), a fund~~ described in the Texas Manufactured Housing Standards Act (Tex. Occ. Code, Chapter 1201) and administered by the Department Director. If the Claims Program Fund makes a payment to a consumer, the Claims Program Fund will seek to recover under the surety bond. The obligation of the Claims Program Fund to compensate a consumer for damages subject to reimbursement by the Claims Program Fund is independent of the Claims Program’s Fund’s right or ability to recover from the above-described surety bond, but recoveries on surety bonds are an important part of the Claims Program’s Fund’s ability to maintain sufficient assets to compensate consumers. There can be no assurance that the Claims Program 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 Claims Program Fund is limited to actual damages, not to exceed \$35,000.”
- (q) – (t) (No change.)

(u) A person may exercise their right of rescission of contract for sale ~~or~~, exchange, ~~or lease purchase~~ of home pursuant to §1201.1521 of the Standards Act within three (3) business days without penalty or charge.

(v) – (w) (No change.)

§80.33. *Installers’ Responsibilities and Requirements.*

(a) - (f) (No change.)

(g) For each installation completed, the ~~contracting~~ installer must complete a Notice of Installation and submit the original, signed form with the required fee to the Department no later than seven (7) days after which the installation is completed, but not later than three (3) days for installers with a provisional license. If an installer submits multiple installation reports at one time, a single payment for the combined fees may be submitted.

(1) If a contracting installer subcontracts the installation to a licensed installer, the subcontracted installer who performs the installation shall complete the Notice of Installation, and submit the original signed form to the Department no later than seven (7) days after which the installation is completed, or not later than three (3) days for installers with a provisional license. The subcontracted installer may submit the required fee with the Notice of Installation Form.

(2) If a contracting installer subcontracts the installation to a licensed installer, and the subcontracted installer does not pay the fee, the contracting installer shall submit a copy of the Notice of Installation, labeled as such, with the required fee to the Department no later than seven (7) days after which the installation is completed, or not later than three (3) days for subcontracted installers with a provisional license.

(3) Provisional installers that provide the installation are required to send a copy of the Notice of Installation to the Department’s Field Office within three (3) days of the installation to ensure a timely inspection may be conducted.

(4) The timely submittal of the Notice of Installation after completion of the installation ensures the Department inspectors may inspect the manufactured home with utilities connected, but before the home is skirted.

(h) The completed Notice of Installation may, within the time frames specified in subsection (g) of this section be submitted with an application for Statement of Ownership ~~and Location~~ but is not a requirement to obtain a Statement of Ownership ~~and Location~~. Copies must be labeled as such. The licensed installer who is listed on a Notice of Installation is presumed to be the installer primarily responsible for the installation and the person to whom any warranty orders, notices of inspection, or other communications from the Department regarding the installation shall be directed.

(i) - (l) (No change.)

§80.34. Brokers' Responsibilities and Requirements.

(a) – (b) (No change.)

§80.35. Salesperson's Responsibilities and Requirements.

(a) – (b) (No change.)

§80.36. Retailers' Rebuilding Responsibilities and Requirements.

(a) Any home that is salvaged 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~~ at the option of the Department after inspection in accordance with Department procedures. Notification in writing to the Department at its Austin headquarters shall be required before rebuilding/repair begins.

(b) - (d) (No change.)

§80.37. Correction Requirements.

(No change.)

§80.38. Right to Advance Copy of Certain Documents.

(a) (No change.)

(b) Printed forms may be used to the rights as provided for in §1201.164 of the Standards Act only if:

~~(1) — The Governor of the State of Texas has declared an emergency to exist in the location where the home is to be located;~~

(1)~~(2)~~ The basic form set forth on the Department's website is used; and

(2)~~(3)~~ The Director has reviewed and approved the language used to describe the specific declared emergency.

SUBCHAPTER D. LICENSING

§80.40. Security Requirements.

(a) For purposes of meeting the security requirements of §1201.105 of the Standards Act, "other security" means a deposit in a state or federally chartered bank or savings and loan association. If other security is posted, the other security must be maintained in or by a banking institution located in this state subject to a control agreement in the promulgated form set forth on the Department's website. Such deposits are hereinafter referred to as 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 ~~of~~ the deposit.

(b) – (f) (No change.)

§80.41. License Requirements.

(a) – (b) (No change.)

(c) Education.

(1) - (3) (No change.)

(4) All related persons added to a retailer’s license are required to take the initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations and the four (4) hour retailer education course prior to being added to the retailer’s license.

(5) All related persons added to an installer’s license are required to take the initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations and the four (4) hour installer education course prior to being added to the installer’s license.

(6) All related persons added to a retailer/installer license or retailer/installer/broker license are required to take the initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations; the four (4) hour retailer education course; and the four (4) hour installer education course prior to being added to the license.

(7) All related persons added to a manufacturer’s license are required to take the initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations prior to being added to the manufacturer’s license.

(8) All related persons added to a broker’s license are required to take the initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations prior to being added to the broker’s license.

(d) Continuing Education.

(1) Continuing education program courses must total eight (8) hours and shall include:

(A) Continuing ~~A minimum of two (2) hours of continuing~~ education addressing the law and rules with a focus on any revisions to the Code or Rules within the preceding two years.

(B) Continuing ~~A minimum of one (1) hour of continuing~~ education addressing the Department's current complaint resolution process.

(C) The following additional topics may be covered: ~~covered to satisfy the remaining credit hours needed not addressed in subparagraph (A) or (B) of this paragraph.~~

- (i) installation requirements;
 - (ii) manufactured home financing;
 - (iii) operation of manufactured home parks and communities;
 - (iv) insurance requirements;
 - (v) industry best practices;
 - (vi) business ethics;
 - (vii) topical market statistics or trends; or
 - (viii) other subjects determined by the Department to relate directly to the lawful operation of a business subject to the Code.
- (2) Acceptable evidence that the requirements of §1201.113(b) of the Standards Act have been satisfied by the license holder or their related person on record with the Department, would be a certificate, letter, or similar statement provided by the approved education provider indicating that the education program was timely completed. Such evidence may be submitted by fax, mail, e-mail, or in person. All related persons listed on a license are required to complete the eight (8) hours of continuing education required every two years.
- (3) – (6) (No change.)
- (e) License Application and Renewal.
- (1) – (3) (No change.)
- (4) Fingerprints and Criminal History Check.
- (A) ~~License Prior to initial application on or after September 1, 2013 or the first renewal of a license expiring on or after September 1, 2013, license~~ applicants must submit a complete and legible set of fingerprints to a vendor approved by the Department of Public Safety, for the purpose of a criminal background check, which will be provided to the Department.
- (B) (No change.)
- (f) License Application or Renewal Denial.
- (1) In the evaluation of an applicant for a license, the Director shall consider whether the applicant or any related person involved with the applicant has previously:
- (A) - (B) (No change.)
- (C) caused the Manufactured Homeowner Consumer Claims Program ~~trust fund~~ to incur unreimbursed payments or claims;
- (D) - (E) (No change.)
- (2) - (6) (No change.)

- (g) (No change.)

SUBCHAPTER E. ENFORCEMENT

§80.70. *Enforcement.*

- (a) – (b) (No change.)

§80.71. *Rules for Hearings.*

- (a) - (i) (No change.)

§80.72. *Sanctions and Penalties.*

- (a) - (g) (No change.)

§80.73. *Procedures for Handling Consumer Complaints.*

- (a) – (h) (No change.)

- (i) If a purchaser of a manufactured home for business use has proof that they disclosed to the retailer in writing at the time of purchase that the purchaser intended for a person to be present in the home for regularly scheduled work shifts of not less than eight (8) hours prior to purchasing a manufactured home for business use they may file a complaint with the Department if the manufactured home is not habitable.
- (1) The complaint must be filed in writing to the Department within sixty (60) days of the later of the date of sale or the date of installation.
- (2) The retailer is required to make the home habitable if after a Department inspection it is determined to be inhabitable and the proper evidence was submitted demonstrating the intended business use of the manufactured home.

SUBCHAPTER F. MANUFACTURED MANUFACTURES HOMEOWNER CONSUMER CLAIMS PROGRAMS' RECOVERY TRUST FUND

§80.80. *Administration of Claims under the Manufactured Homeowner Consumer Claims Program ~~s' Recovery Trust Fund.~~*

- (a) The Director, before authorizing any party performing warranty work or providing other goods or services that are to be reimbursed from the Manufactured Homeowner Consumer Claims Program (the "Claims Program") ~~s' Recovery Trust Fund (the "Fund")~~ to proceed, will require that an estimate be submitted on the form set forth on the Department's website properly completed and executed.
- (b) Re-assigned warranty work required by the Director to be performed shall, unless extended for good cause or provided otherwise in the order, be performed within thirty (30) days or such other time as the director may by order specify:

- (1) (No change.)
 - (2) all warranty work or other work to be reimbursed from the Claims Program Fund, once completed, is subject to being re-inspected.
- (c) - (e) (No change.)
- (f) Once a payment is made from the Claims Program Fund, the Department shall file a claim under the bond of or deduct the amount paid from other security provided by the party primarily responsible for the unsatisfied claim.

SUBCHAPTER G. STATEMENTS OF OWNERSHIP ~~AND LOCATION~~

§80.90. 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:
 - (1) A completed and fully executed Application for Statement of Ownership ~~and Location~~ on the Department's prescribed current form;
 - (2) (No change.)
 - (3) If the statement of ownership ~~and location~~ is to reflect the recordation of a lien, other than a tax lien, for which the Department does not have the owner's consent, copies of documentation establishing the creation and existence of each such lien, and an affidavit of fact explaining the circumstances of the lien;
 - (4) (No change.)
 - (5) When 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 lien holder consented to that change; and
 - (6) (No change.)
- (b) Right of Survivorship: If a right of survivorship election is made, 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.
- (c) Corrections to Statements of Ownership ~~and Location~~.
 - (1) (No change.)
 - (2) 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~~, or
 - (B) (No change.)
- (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 an additional ~~certified~~ copy is desired for a third party it should be noted on the application with appropriate mailing information.
- (e) Exchanging a Document of Title or certificate of attachment for a Statement of Ownership ~~and Location~~: The Department will issue a Statement of Ownership, with no change in status, to replace a title or certificate of attachment at no charge upon receipt of the original title or certificate of attachment and the physical location of the home. 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) 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 completed the conversion process required by the Standards Act, the home may be sold, transferred, or encumbered 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 new Statement of Ownership ~~and Location~~ does not have to be applied for until and unless:
 - (A) the home is moved from the location specified on the statement of ownership ~~and location~~;
 - (B) - (D) (No change.)
 - (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) - (D) (No change.)
 - (3) To update the ownership on a manufactured home already elected and perfected as real property, and remaining in the same location as real property, the new owner of the home must submit a completed Application for Statement of Ownership ~~and Location~~ to the Department with supporting documentation as follows:

(A) - (C) (No change.)

- (4) When a home is being converted to real property, 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 has been perfected. This must be done within sixty (60) days from the issuance date reflected on the Statement of Ownership ~~and Location~~.
- (g) When a title company or attorney's office fails to complete the conversion of a manufactured home to real property, the holder or servicer of the loan may apply for a statement of ownership ~~and location~~ electing real property status after-the-fact, providing that evidence of notice to all parties is sent via certified mail and that proof of such efforts is provided along with an affidavit of fact describing such efforts, pursuant to §1201.2055(i)(3) of the Standards Act.
- (h) Submitting an application for Statement of Ownership ~~and Location~~ pursuant to the abandonment provision in §1201.217 of the Standards Act, should include an affidavit of fact, on the prescribed form, attesting to that all statutory notifications have been made to the appropriate parties, including the tax assessor-collector of the county where the home is located, and evidence that all notification was sent via certified mail.
- (i) A Priority Handling Service may be offered by the Department for an additional fee of \$55, each time an application for statement of ownership ~~and location (SOL)~~ is reviewed on a priority basis, whether the application is complete or incomplete. Initial or resubmitted applications submitted with priority handling requested and including the additional fee, will be processed within five working days from the date the application is recognized as received in the Department (applications received after 3:30 p.m. become part of the following day’s mail).
- (1) If the application is received complete, a Statement of Ownership ~~and Location~~ will be issued and mailed within the established time.
- (2) - (3) (No change.)

§80.91. Issuance of a Texas Seal.

- (a) Issuance of a Texas Seal requires the submittal of an application for Statement of Ownership SOL, the applicable fee and the fee for each Texas Seal issued.
- (b) (No change.)
- (c) Issuance of a Texas Seal due to a missing serial number requires an affidavit of fact attesting that no serial number(s) can be found anywhere on the home and an explanation of any known purchase history in addition to the requirements of subsection (a) of this section.

§80.92. *Inventory Finance Liens.*

(a) – (b) (No change.)

§80.93. *Recording Tax Liens on Manufactured Homes.*

(a) – (e) (No change.)

§80.94. *Report to County Tax Assessor-Collectors and County Appraisal Districts.*

(No change.)