

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
**Manufactured Housing Division**

# ENFORCEMENT BULLETIN

Number 2016-003

## COMPLIANCE REVIEWS

Compliance reviews are conducted two times per year for every licensed Retailer and Installer to ensure that they are fully trained and versed on what documents must be retained to document compliance with required disclosures, installation reporting and applications for statement of ownership and location and supporting documents.

For Retailers, an inventory of the lot will be taken to ensure that any damage to new homes has been reported to the manufacturer and a response or determination is received within 20 days, as required by HUD. Additionally, the compliance review will include verification that the licenses of the Retailer and its sponsored Salespersons are publicly displayed and active.

For Installers, a review of the customer file will be made to ensure that the Notice of Installation was submitted to the Department with the fee and that required disclosures and warranties have been complied with.

### HOW TO PREPARE FOR A COMPLIANCE REVIEW

Retailers should ensure that:

1. The sales files are readily available and that all of the applicable information on the Retailer's Checklist is included in the file;
2. Full access to the Retailer's home inventory is available.
3. For any damaged new homes in inventory, documentation should be available confirming that the manufacturer has been notified and a response or determination has been received within 20 days;
4. Retailer and Salesperson's licenses are publicly displayed and active;
5. Retailer license number is on all advertisements and business cards;
6. A link to the Manufactured Housing Division's website is conspicuously posted on the license holder's website; and
7. Ensure that all homes in inventory are properly blocked as required.

### WILL THIS DISRUPT MY BUSINESS?

The Compliance Monitor (CM) will make every attempt not to disrupt business activity. CMs are present to make a review and help the Retailer in complying with the law. The CM will never purposely create a negative or threatening presence or cause the license holder or its customers to be alarmed.

Typically, the CM will make a quick walk through of the office and can review the sales files at a vacant desk or office only needing access to a copier for any deviations found.

### DO I HAVE TO HAVE A COMPLIANCE REVIEW?

**Yes.** Both Federal and State laws require and authorize the Manufactured Housing Division to review the files and inventory of its license holders.

*Refusal to provide requested files and access to the inventory is a violation resulting in enforcement action.*

### WHAT HAPPENS DURING A REVIEW?

The CM will need access to the sales files to review and ensure that all required disclosures, documents and reports have been signed by all parties and properly identify the home for both new and used homes.

If deviations are found the CM will need to make copies and will provide training to the Retailer and/or their staff on what is required and how to comply in the future. To ensure compliance, a follow up review will occur in approximately 90 days.

If the Retailer passes the next review will occur in approximately 6 months.

The CM will walk the lot to ensure that any damaged new homes have been reported to the Manufacturer and that a response or determination was received within 20 days.

Lastly, the CM will verify that all licenses are active and publicly displayed, that all advertisements include the Retailer's license number and that a link to the Manufactured Housing Division's webpage is conspicuously posted on the website.