

ENFORCEMENT BULLETIN

Number 2016-004

GENERAL GUIDELINES

Agency Contact Information

Licensing Issues or Consumer Complaints

- Email: **licensing@tdhca.state.tx.us**
- Email: **complaints@tdhca.state.tx.us**
- Toll Free Number: **877-313-3023**
- Fax Number: **512-475-3506**

Titling/Statement of Ownership and Location (SOL)

- Email for general SOL Inquiries: **processing@tdhca.state.tx.us**
- Email for responding to an SOL Request for Additional Information (issued on an incomplete SOL application): **mhrairesponse@tdhca.state.tx.us**
- Toll Free Number for Industry: **888-576-2240**
- Toll Free Number for Consumers: **800-500-7074**
- Fax Number: **512-475-1109**

Installations

- Toll Free Number: Installations Unit 877-313-3023
 - Lubbock Fax – 806-794-6876
 - Email: **installations@tdhca.state.tx.us**
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Relocating a Manufactured Home

1. A moving permit is required for transporting on any city and county roads. A copy should be provided to the consumer.
2. Only a bonded and licensed Installer can install or re-level manufactured homes.

3. The Installer must submit a Notice of Installation (also known as a Form T) to the Department within 7 working days after installation so an inspection can be performed, ensuring that the home is installed properly. A copy should be provided to the consumer.
4. An Application for Statement of Ownership and Location, with a copy of the moving permit, must be submitted by the owner of the home within 60 days from the home is relocated.

Failure to include the moving permit will not prevent the application from being processed. However, the application will be referred for enforcement.

For more details on applicable motor carrier permit laws, contact:

Texas DMV Motor Carrier Permits Division
Phone Number: 1-800-299-1700
Web Address: www.txdmv.gov

Tax Statements

Sales between Jan and June 30 of current year – Applications for SOL must include a statement from the Tax Assessor-Collector confirming that all taxes have been paid for the previous year AND prepaid and escrowed for the current year. A release of lien for any tax liens already filed with the Department must also be included.

Sales between July 1 and December 31 of current year - Applications for SOL must include a statement from the Tax Assessor-Collector confirming that all taxes have been pre-paid and escrowed (or just paid if the current tax year has already been billed) for the current year. A release of lien for any tax liens already filed with the Department must also be included.

Original MCO required with all new home applications

Section 1201.204 of the Occupations Code, requires that, with the submittal of all new home applications for SOL, the original Manufacturer's Certificate of Origin (MCO) be included.

The law also requires that the State notify all floor planners of record if the Retailer did not provide the original MCO with the application.

Failure to surrender the MCO is a violation which may result in administrative action for non-compliance and may also be a contractual issue with the floor planner.

SOL Application must be submitted to the Department or a \$100.00 fee may be charged

Section 1201.206(h) of the Occupations Code states that if a person selling a manufactured home to a consumer for residential use fails to file with the department the application for the issuance of a statement of ownership and location and the appropriate filing fee before the 61st day after the date of the sale, the department may assess a fee of at least \$100 against the seller.

Top 5 reasons for why SOL applications are returned for completion:

1. Tax liens on file
2. Need tax statement
3. Need date of sale
4. Need release of mortgage lien
5. Need payment

Installation Reports

Title 10, Section 80.33(g) of the Texas Administrative Code, states that:

For each installation completed, the contracting installer must complete a Notice of Installation (aka Form T) 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 probationary installers. A single payment may be made when multiple forms are submitted.

To prevent delays, **do not** send Notice of Installation Reports and fees with applications for statements of ownership and location (SOL).

Installers with a probationary license should fax their report to the Lubbock field office within 3 days from installation and submit the original with the fee to the Department's headquarters in Austin.

Salvage procedures

Section 1201.461 of the Occupations Code states that a home is salvaged if it is scrapped, dismantled, or destroyed, OR if an insurance company pays the full insured value of the home.

Additionally, it states that a person may not sell, convey, or otherwise transfer to a consumer in the state, a manufactured home that is salvaged. A salvaged manufactured home may only be sold to a license retailer and may only be rebuilt in compliance with the Texas Administrative Code, which require specific steps including a plan sealed by a licensed Engineer, to be taken BEFORE construction begins.

No one other than a licensed retailer may rebuild a salvaged home.

Finally, the law states that participating in the sale or installation of a salvaged home to a consumer that has not been rebuilt in accordance with the Law and Rules, constitutes an imminent threat to health or safety and is a Class B misdemeanor.

Electrical Testing

Pursuant to Section 80.25(j)(5) of the Administrative Rules, when installing a manufactured home, the completion of a continuity test, a polarity test, and an operational test is required. This rule was adopted and has been in place since 1998. This applies to both new and used homes.

ADDITIONALLY, for a NEW manufactured home, you will also need to check the Manufacturer's Installation Manual to determine if the Manufacturer requires

additional testing along with the continuity test, the polarity test, and an operational test, as required by 24 CFR § 3285.702(f).

The electrical testing *does not* have to be completed by a licensed electrician, but must be completed once the electricity is activated or by using a generator. The home cannot be occupied until all installation requirements have been met and the installation is complete.

Proof of this testing should be maintained on file for auditing purposes.

Compliance Reviews

Compliance reviews will be conducted twice a year for licensed retailers AND installers.

RETAILERS:

1. Retailer's license must be displayed.
2. Each Salesperson's license must be current and displayed.
3. The Consumer Protection Notice must be displayed.
4. Retailer's website must contain a link to the Department's website.
5. All business cards and advertisements should include the retailer's license number.
6. Each Retail location must have an onsite management official who has completed the Department's initial education requirements (only required if the Retailer's license was originated after September 28, 2011).
7. Homes in inventory have no transportation damage.
8. Homes in inventory are block set.
9. All sales files include all required disclosures, reports and title work.

INSTALLERS:

Compliance monitor will review at least 3 customer installation files for:

1. List of unlicensed employees used for installations, to be noted on the Unlicensed Installer form.

2. Copy of the Notice of Installation.
3. Installation Checklist form.
4. Site Preparation form (when applicable).
5. Copy of the installation warranty.
6. List of componenets used.
7. A copy of manufacturer's installation instructions if installed to that manner.
8. Foundation plans sealed by a Texas Engineer if home installed on a custom foundation.
9. A copy of any agreements with other contractors for services such as HVAC, spetic, proch, driveway, etc.
10. A complete list of all alterations with DAPIA approval on file (when applicable).