



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
April 5, 2013

Michael H. Bray, Chair

Anthony G. Burks, Member

Bob R. McCarn, Member

Sheila M. Vallés-Pankratz, Member

Donnie W. Wisenbaker, Member

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

April 5, 2013

ROLL CALL

	<u>Present</u>	<u>Absent</u>
Michael H. Bray, Chair	_____	_____
Anthony G. Burks, Member	_____	_____
Bob R. McCarn, 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
Rusk State Office Building, 208 E. 10th St., Room 320
Austin, Texas 78701

April 5, 2013 **10:30 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 October 12, 2012. Chair
- Item 2. Presentation, discussion and action to approve the proposed revisions to the Application for Statement of Ownership and Location and the Release or Foreclose of Lien form. Joe Garcia

REPORT ITEMS

1. Presentation of the internal audit of the Manufactured Housing Division. Sandy Donoho
2. Executive Director's Report to include issues relating 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 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.

**MINUTES OF THE REGULAR MEETING OF THE
MANUFACTURED HOUSING BOARD**

On Friday, October 12, 2012, at 10:30 a.m., there was a regular meeting of the Manufactured Housing Board (the "Board") at 1500 N. Congress, Capitol Extension Committee Room E2.028. Sheila Vallés-Pankratz presided. Anthony Burks and Bob McCarn constituting a quorum, attended. Michael Bray and Donnie Wisenbaker were absent. The following Manufactured Housing Division (the "MHD") staff were present: Joe Garcia, Amy Morehouse, Kassu Asfaw and Sharon Choate. Elena Peinado from the Texas Department of Housing and Community Affairs (other than the MHD) was present.

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 of the board meeting on August 3, 2012. Upon motion of Anthony Burks, duly seconded by Bob McCarn, the motion was unanimously approved.

Joe Garcia presented and discussed for approval the proposed revisions to the Application for Statement of Ownership and Location form. Upon motion of Bob McCarn, duly seconded by Anthony Burks, the motion was unanimously approved.

Joe Garcia presented and discussed for approval adoption of proposed amendments to 10 Texas Administrative Code Chapter 80 for publication in the Texas Register as adopted. Ms. Pankratz proposed a change in the wording located in §80.41(d) from "conditional courses" to "continuing education courses." Upon motion of Anthony Burks, duly seconded by Bob McCarn, the rules as discussed with incorporated changes amended were unanimously approved.

At 10:58 a.m., the board went into an Executive Session to discuss personnel matters relating to the executive director's performance evaluation and compensation review pursuant to Sec. 551.074, Texas Government Code.

The board reconvened in open session at 11:48 a.m.

Upon motion of Anthony Burks to approve a one-time merit bonus of 6% due to the board rating the executive director's performance as outstanding, it was duly seconded by Bob McCarn and the motion was unanimously approved.

Joe Garcia delivered the Executive Director's Report.

There being no further business to come before the board, the meeting was adjourned at 11:51 a.m.

Sharon Choate, Secretary

Approved:

Sheila Vallés-Pankratz, Acting Presiding Chair

Agenda Action Item No. 2

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
 Internet Address: www.tdhca.state.tx.us/mh/index.htm

APPLICATION FOR STATEMENT OF OWNERSHIP AND LOCATION

The filing of an application for the issuance of a Statement of Ownership and Location, later than sixty (60) days after the date of a sale to a consumer for residential use, may result in a fee of up to one hundred dollars (\$100). Any such application that is submitted late may be delayed until the fee is paid in full.

BLOCK 1: Transaction Identification

Type of Transaction		Regular or Priority Handling	(For Department Use Only) Coding:
Personal Property Transaction <input type="checkbox"/> New <input type="checkbox"/> Used <input type="checkbox"/> Lien Assignment <input type="checkbox"/> Other: _____ _____	Real Property Transaction <input type="checkbox"/> New <input type="checkbox"/> Used <input type="checkbox"/> Update SOL <input type="checkbox"/> Other _____ _____	<input type="checkbox"/> Regular Handling - \$55 Completed applications will be processed within 15 working days from date received. <input type="checkbox"/> Priority Handling - \$110 An additional \$55 fee is included with payment to review application within 5 working days from date received.	Lien on file: Y / N Right of Survivorship: Y / N Texas Seal Purchase: Y / N For Section(s) 1 2 3 4

BLOCK 2(a): Home Information (required)

Manufacturer Name:		Model:	
Address:		Date of Manufacture:	
City, State, Zip:		Total Square Feet:	
License Number:		Wind Zone:	

	Label/Seal Number	Complete Serial Number	Weight	Size*	
Section 1:				X	*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 2:				X	
Section 3:				X	
Section 4:				X	

2(b) DOES HOME HAVE A HUD LABEL OR TEXAS SEAL? Yes No
If there is/are no HUD Label(s) or Texas Seal(s) on your home, a Texas Seal will need to be purchased and will be issued to each section of your home at an **additional cost** of \$35.00 per section.
 Indicate which section(s) need(s) Texas Seal: Section One Section Two Section Three Section Four

BLOCK 3: Home Location (required)

Physical Location of Home: <i>(or 911 address)</i>	Physical Address (cannot be a Rt. or P. O. Box)	City	State	ZIP	County
Was Home Moved for this sale? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, include a copy of moving permit.					
Was Home Installed for this sale? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, provide installer information below, if known					
Installer Name, address and phone: _____					

BLOCK 4: Ownership Information (required)

4(a) Seller(s) or Transferor(s)	4(b) Purchaser(s), Transferee(s), or Owner(s)
Name	Name
License # if Retailer:	License # if Retailer:
Name	Name
Mailing Address	Mailing Address
City/State/Zip	City/State/Zip
Daytime Phone Number () -	Daytime Phone Number () -

4(c) Is this transaction a sale ~~Home Being Sold~~? Yes No

4(d) Date of sale, transfer or ownership change: _____

HUD Label #:	Serial #:	GF# (for title co.):
---------------------	------------------	-----------------------------

BLOCK 5: Right of Survivorship (if no box is checked, joint owners will NOT have right of survivorship)

If joint owners desire right of survivorship, check the applicable box below:

- 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.
- Joint owners are other than husband and wife, desire right of survivorship, **and** 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 as **(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.
- The applicant or their authorized representative is the holder or servicer of the loan.
- 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 for real property is attached (Example: Deed, title policy, or title commitment).~~ **Please attach a legal description of the real property to this application (Example: Exhibit A, Deed or Title Commitment).**

If a title company, list your file or GF #: _____

- Inventory** – *(FOR RETAILER USE ONLY)* Retailer license number must be provided in Block 4b if this election is checked.

BLOCK 7: To Designate a Home as Non-Residential (Business Use) or Salvage

If home WILL NOT be used for residential use, indicate its designated use:

- Business Use* (means use other than a residential dwelling, such as storage)
- Salvage* (means scrapped, dismantled, or which the full insured value has been paid by an insurance company). A salvaged home may only be sold to or rebuilt by a licensed Retailer (subject to inspection and approval prior to construction).

BLOCK 8(a): Liens – Will there be any liens on the home (other than a tax lien)? Yes No If yes, complete the below lien information.

Block 8(b): Lien Information

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:		Daytime Phone:	

BLOCK 9: Special Mailing Instructions

IF a 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:	
	Mailing Address:	
	City, State, Zip:	
	Area Code/Phone:	
	Email:	

BLOCK 10: Signatures Required (Notarization is Optional)

10(a) Signatures of each seller/transferor	10(b) Signatures of each purchaser/transferee or owner
<p align="center">_____ <i>Signature of owner or authorized seller</i></p> <p>Sworn and subscribed before me this ____ day of _____, 20__</p> <p align="center">_____ <i>Signature of Notary</i> SEAL</p>	<p align="center">_____ <i>Signature of purchaser/transferee or owner</i></p> <p>Sworn and subscribed before me this ____ day of _____, 20__</p> <p align="center">_____ <i>Signature of Notary</i> SEAL</p>
<p align="center">_____ <i>Signature of owner or authorized seller</i></p> <p>Sworn and subscribed before me this ____ day of _____, 20__</p> <p align="center">_____ <i>Signature of Notary</i> SEAL</p>	<p align="center">_____ <i>Signature of purchaser/transferee or owner</i></p> <p>Sworn and subscribed before me this ____ day of _____, 20__</p> <p align="center">_____ <i>Signature of Notary</i> SEAL</p>
10(c) For Lien Assignments Only	
<p align="center">_____ <i>Signature of authorized representative for previous lienholder</i></p>	<p align="center">_____ <i>Signature of authorized representative for new lender</i></p>

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
 Internet Address: www.tdhca.state.tx.us/mh/index.htm

RELEASE ~~OR FORECLOSURE~~ OF LIEN OR REPOSSESSION

(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: Lienholder and Borrower Information

(Name of Lienholder)	(Address)	(City)	(State)	(Zip)	(Phone)
(Name of Consumer/ <u>Borrower</u>)	(Address)	(City)	(State)	(Zip)	(Phone)

BLOCK 3: For Release of Lien

Release of Lien Effective Date: _____

BLOCK 4(a): ~~Foreclosure of Lien Information~~ Repossession Information

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(b): Sale of ~~Foreclosed~~ Reposessed Manufactured Home
(MUST be completed IF foreclosure-repossession is being recorded/sold by lienholder)

Method of Sale (MUST CHECK ONE):
 I (We) will sell the home to or through a licensed retailer **R:** _____.
 I (We) will sell the home directly to a consumer and have the required retailer license **R:** _____.
 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 (Notarization Required if for Repossession)

I (We) certify that the statements set forth hereinabove and the information attached hereto are true and correct. _____ (Signature of Person Authorized to Sign for Lienholder) _____ (Title of Person Signing) (Phone)	Sworn and subscribed before me this _____ day of _____, 20_____ (month) (year)
	_____ (Signature of Notary) _____ Seal _____ (Typed Name of Notary) (Date Commission Expires)



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhea.state.tx.us

Rick Perry
GOVERNOR

Report Item No. 1

BOARD MEMBERS
J. Paul Oxcr, *Chair*
Tom H. Gann, *Vice Chair*
Leslie Bingham-Escareño
Lowell A. Keig
Juan S. Muñoz, PhD
J. Mark McWatters

September 21, 2012

*Writer's direct phone # 512-475-3813
Email: sandy.donoho@tdhca.state.tx.us*

RE: AN INTERNAL AUDIT OF THE MANUFACTURED HOUSING DIVISION (REPORT # 13-1052)

To: The Governing Board of the Texas Department of Housing and Community Affairs' Manufactured Housing Division

The Internal Audit Division has completed our audit of the mailroom procedures and cash handling processes for the Texas Department of Housing and Community Affairs' (Department's) Manufactured Housing Division (Division). We found that the Division has adequate controls in place over the mailroom and the cash handling processes to ensure that funds are managed appropriately.

As part of this audit, we evaluated the Division's internal controls over cash handling in the Division's mailroom and customer service window. We observed the Division staff during mail processing and deposit preparation and evaluated the internal controls over cash, which include a two-person verification of all cash receipts, separation of duties for entering and verifying the funds received, and physically securing payments in a locked safe with limited employee access.

We also tested daily deposits for 30 judgmentally-selected days ranging throughout fiscal years 2011 and 2012. The testing consisted of reconciling the daily deposit amounts recorded by Division staff in the Manufactured Housing System with the amounts deposited by the Department's Financial Administration Division in the PeopleSoft accounting system. We found no errors or discrepancies between the two systems. Out of the 30 days in the sample, we were able to reconcile the deposits for 29 days (96.7%). One day's deposit (3.3%) was not applicable to our testing because the only payments received for that day were electronic payments submitted using the Texas Online System, over which the Division does not have any control or authority.

The objective of this audit was to determine if the Manufactured Housing Division has adequate controls in place over the mailroom and the cash handling process to ensure funds are managed appropriately. The scope of our fieldwork was fiscal years 2011 and 2012. Our methodology consisted of interviewing responsible individuals, observing processes, reviewing documentation, and testing selected transactions. We did not perform a review of the Manufactured Housing System, which is the automated system used by the Division, because it is still under development.

This audit was conducted as part of our fiscal year 2013 internal audit plan. We conducted our fieldwork in September 2012. We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to

obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was also conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

We would like to extend our sincere thanks to the management and staff of the Manufactured Housing Division for their cooperation and assistance during the course of this audit.

Sincerely,

A handwritten signature in black ink that reads "Sandra Q. Donoho". The signature is written in a cursive style with a large, prominent "S" and "D".

Sandra Q. Donoho, MPA, CISA, CIA, CFE, CICA
Director of Internal Audit

Sqd/nae

cc:

Joe Garcia, Executive Director of the Manufactured Housing Division

Kassu Asfaw, Chief Financial Officer