

Retailer Regulations

Find below a compilation of regulation subsections in 24 CFR 3280, 3282, 3285 and 3286 that pertain to retailers who sell manufactured homes into states or territories where HUD administers the Installation Program. Those states and territories currently include:

Alaska, Connecticut, Hawaii, Illinois, Maryland, Massachusetts, Montana, Nebraska, New Jersey, Rhode Island, South Dakota, Vermont, Wyoming, The Commonwealth of Puerto Rico, Guam, the Virgin Islands, and American Samoa.

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3282 Subpart F—Retailer and Distributor Responsibilities

§3282.251 Scope and purpose.

(a) This subpart sets out the responsibilities which shall be met by distributors and retailers with respect to manufactured homes manufactured after the effective date of the standards for sale to purchasers in the United States. It prohibits the sale, lease, or offer for sale or lease of manufactured homes known by the distributor or retailer not to be in conformance with the standards, and it includes responsibilities for maintaining certain records and assisting in the gathering of certain information.

(b) The purpose of this subpart is to inform distributors and retailers when they may sell manufactured homes, when they are prohibited from selling manufactured homes, and what they may do in order to prepare a manufactured home for sale if it is not in conformance with the standards.

(c) For purposes of this part, any manufacturer or distributor who sells, leases, or offers for sale or lease a manufactured home to a purchaser shall be a retailer for purposes of that transaction.

§3282.252 Prohibition of sale.

(a) No distributor or retailer shall make use of any means of transportation affecting interstate or foreign commerce or the mails to sell, lease, or offer for sale or lease in the United States any manufactured home manufactured on or after the effective date of an applicable standard unless:

(1) There is affixed to the manufactured home a label certifying that the manufactured home conforms to applicable standards as required by §3282.205(c), and

(2) The distributor or retailer, acting as a reasonable distributor or retailer, does not know that the manufactured home does not conform to any applicable standards.

(b) This prohibition applies to any affected manufactured homes until the completion of the entire sales transaction. A sales transaction with a purchaser is considered completed when all the goods and services that the retailer agreed to provide at the time the contract was entered into have been provided. Completion of a retail sale will be at the time the retailer completes set-up of the manufactured home if the retailer has agreed to provide the set-up, or at the time the retailer delivers the home to a transporter, if the retailer has not agreed to transport or set up the manufactured home, or to the site if the retailer has not agreed to provide set-up.

(c) This prohibition of sale does not apply to manufactured homes which are placed in production prior to the effective date of the standards, and it does not apply to “used”

manufactured homes which are being sold or offered for sale after the first purchase in good faith for purposes other than the resale.

§3282.253 Removal of prohibition of sale.

(a) If a distributor or retailer has a manufactured home in its possession or a manufactured home with respect to a sales transaction has not yet been completed, and a distributor or retailer knows as a result of notification by the manufacturer or otherwise that the manufactured home contains a failure to conform or imminent safety hazard, the distributor or retailer may seek the remedies available under §3282.415.

(b) When, in accordance with §3282.415, a manufacturer corrects a failure to conform to the applicable standard or an imminent safety hazard, the distributor or retailer, acting as a reasonable distributor or retailer, may accept the remedies provided by the manufacturer as having corrected the failure to conform or imminent safety hazard. The distributor or retailer, therefore, may sell, lease, or offer for sale or lease any manufactured home so corrected by the manufacturer.

(c) When a distributor or retailer is authorized by a manufacturer to correct a failure to conform to the applicable standard or an imminent safety hazard and completes the correction in accordance with the manufacturer's instructions, the distributor or retailer may sell, or lease or offer for sale or lease the manufactured home in question, provided that the distributor or retailer, acting as a reasonable distributor or retailer knows that the manufactured home conforms to the standards. A distributor or retailer and a manufacturer, at the manufacturer's option, may agree in advance that the distributor or retailer is authorized to make such corrections as the manufacturer believes are within the expertise of the dealer.

(d) If the corrections made under paragraphs (b) and (c) of this section do not bring the manufactured home into conformance or correct the imminent safety hazard, the provisions of §3282.415 will continue in effect prior to completion of the sales transaction.

§3282.254 Distributor and retailer alterations.

(a) If a distributor or retailer alters a manufactured home in such a way as to create an imminent safety hazard or to create a condition which causes a failure to conform with applicable Federal standards, the manufactured home affected may not be sold, leased, or offered for sale or lease.

(b) After correction by the distributor or retailer of the failure to conform or imminent safety hazard, the corrected manufactured home may be sold, leased, or offered for sale or lease.

(c) Distributors and retailers shall maintain complete records of all alterations made under paragraphs (a) and (b) of this section.

§3282.255 Completion of information card.

(a) Whenever a distributor or retailer sells a manufactured home subject to the standards to a purchaser, the distributor or retailer shall fill out the card with information provided by the purchaser and shall send the card to the manufacturer. (See §3282.211.)

(b) Whenever a distributor or retailer sells a manufactured home to an owner which was originally manufactured under the standards, the distributor or retailer shall similarly use one of the detachable cards which was originally provided with the manufactured home. If such a card is no longer available, the distributor or retailer shall obtain the information which the card would require and send it to the manufacturer of the manufactured home in an appropriate format.

§3282.256 Distributor or retailer complaint handling.

(a) When a distributor or retailer believes that a manufactured home in its possession which it has not yet sold to a purchaser contains an imminent safety hazard, serious defect, defect, or noncompliance, the distributor or retailer shall refer the matter to the manufacturer for remedial action under §3282.415. If the distributor or retailer is not satisfied with the action taken by the manufacturer, it may refer the matter to the SAA in the state in which the manufactured home is located, or to the Secretary if there is no such SAA.

(b) Where a distributor or retailer receives a consumer complaint or other information concerning a manufactured home sold by the distributor or retailer, indicating the possible existence of an imminent safety hazard, serious defect, defect, or noncompliance in the manufactured home, the distributor or retailer shall refer the matter to the manufacturer.

§3286.5 Overview of installation program.

(c) *Manufacturer and retailer requirements.* (1) Manufacturers and retailers are responsible for compliance of the home with the construction and safety standards in part 3280 of this chapter, in accordance with the Act and applicable regulations. Manufacturers and retailers must also comply with applicable requirements in this part relating to the installation of the manufactured home.

§3286.102 Information provided by manufacturer.

(a) *Shipment of home to retailer or distributor.* At the time the manufactured home is shipped to a retailer or distributor, the manufacturer must provide notice to the retailer or distributor that tracking information for the home is being provided to HUD, and the information must be updated by the retailer or distributor in accordance with the requirements in §3286.113. Such notice must include all of the information required in §3286.9(a). The manufacturer is also encouraged to provide notice to the retailer that reminds the retailer of its other responsibilities under this part.

(b) *Manufacturer's installation instructions.* The manufacturer is required to include in its installation instructions for the home a notice that the home is required to be installed in accordance with:

(1) An installation design and instructions that have been provided by the manufacturer and approved by the Secretary directly or through review by the DAPIA; or

(2) An installation design and instructions that have been prepared and certified by a professional engineer or registered architect, that have been approved by the manufacturer and the DAPIA as providing a level of protection for residents of the home that equals or exceeds the protection provided by the federal installation standards in part 3285 of this chapter.

§3286.103 DAPIA-approved installation instructions.

(a) *Providing instructions to purchaser or lessee.* (1) For each manufactured home sold or leased to a purchaser or lessee, the retailer must provide the purchaser or lessee with a copy of the manufacturer's DAPIA-approved installation instructions for the home.

(2) If the installation requires a design that is different from that provided by the manufacturer in paragraph (a)(1) of this section, the installation design and instructions must be prepared and certified by a professional engineer or registered architect, that have been approved by the manufacturer and the DAPIA as providing a level of protection for residents of the home that equals or exceeds the protection provided by the federal installation standards in part 3285 of this chapter.

(b) *Providing instructions to installer.* When the retailer or manufacturer agrees to provide any set up in connection with the sale of the home, the retailer or manufacturer must provide a copy of the approved installation instructions required in paragraph (a)(1) of this section or, as applicable, installation design and instructions required in paragraph (a)(2) of this section to each company or, in the case of sole proprietor, to each individual who performs set up or installation work on the home.

§3286.105 Requirement for installer licensing.

(a) *Installer Licensing.* The installer that installs a manufactured home in a state that does not have a qualifying installation program must be certified or licensed in accordance with the requirements in subpart C of this part.

(b) *Use of licensed installer.* When the retailer or manufacturer agrees to provide any set up in connection with the sale or lease of the home, the retailer or manufacturer must ensure that the installer is licensed in accordance with these regulations.

§3286.109 Inspection requirements—generally.

The installer or the retailer must arrange for the inspection of the installation work on any manufactured home that is sited in a state without a qualifying installation program. Before the

home can be occupied, the installer must certify, and the inspector must verify, the home as having been installed in conformance with the requirements of §3286.107(a). The requirements for installer certification are set out in subpart E of this part.

§3286.111 Installer certification of installation.

a) *Certification required.* When the installation work is complete, a licensed installer must visit the jobsite and certify that:

(1) The manufactured home has been installed in accordance with:

(i) An installation design and instructions that have been provided by the manufacturer and approved by the Secretary directly or through review by the DAPIA; or

(ii) An installation design and instructions that have been prepared and certified by a professional engineer or registered architect, that have been approved by the manufacturer and the DAPIA as providing a level of protection for residents of the home that equals or exceeds the protection provided by the federal installation standards in part 3285 of this chapter.

(2) The installation of the home has been inspected as required by §3286.503 and an inspector has verified the installation as meeting the requirements of this part.

(3) All installation defects brought to the installer's attention have been corrected.

§3286.113 Information provided by retailer.

(a) *Tracking information.* Within 30 days from the time a purchaser or lessee enters into a contract to purchase or lease a manufactured home, the retailer or distributor of the home must provide HUD with the following information: **(HUD 305)**

(1) The home's serial number and manufacturer's certification label number;

(2) The name and address of the retailer or distributor that is selling or leasing the home;

(3) The state and address where the home is to be sited, and, if known, the name of the local jurisdiction; and

(4) The name of the purchaser or lessee.

(b) *Installation information.* Within 30 days from the date of installation, the retailer or distributor of the home must provide HUD with the following information: **(HUD 306)**

(1) The name, address, telephone number, and license number of the licensed installer;

(2) The date of installer certification of completion of the installation; (3) The date a qualified inspector verified the installation as being in compliance with the requirements of this part; and

(4) The name, address, and telephone number of the qualified inspector who performed the inspection of the installation as required by §3286.109.

(c) *Method of providing information.* (1) The retailer or distributor must provide a copy of the information set forth in paragraphs (a) and (b) of this section to HUD by providing a copy of the information to HUD by facsimile, e-mail, or first-class or overnight delivery.

(2) The information must be sent to: Administrator, Office of Manufactured Housing Programs, HUD, 451 Seventh Street, SW., Room 9164, Washington, DC 20410-8000, or to a fax number or e-mail address obtained by calling the Office of Manufactured Housing Programs. For convenience only, the URL of the Web site is <http://www.hud.gov/offices/hsg/sfh/mhs/mhshome.cfm> and the toll-free telephone number to contact the Office of Manufactured Housing Programs is 1-800-927-2891, extension 57.

(d) *Correcting information.* If the information provided by the retailer changes after it has been provided to HUD, the retailer must correct the information within 10 business days after the retailer learns of the change.

(e) *Record retention requirements.* The retailer or distributor must maintain a copy of the records required in paragraphs (a) and (b) of this section for 3 years from the date of installation, as under §3286.115.

§3286.115 Date of installation.

The date of installation will be the date the installer has certified that all required inspections have been completed, all utilities are connected, and the manufactured home is ready for occupancy as established, if applicable, by a certificate of occupancy, except as follows: If the manufactured home has not been sold to the first person purchasing the home in good faith for purposes other than resale by the date the home is ready for occupancy, the date of installation is the date of the purchase agreement or sales contract for the manufactured home.

§3286.117 Completion of sale date.

(a) *Date of sale defined.* For purposes of determining the responsibilities of a manufacturer, retailer, or distributor under subpart I of part 3282 of this chapter, the sale of a manufactured home will not be considered complete until all the goods and services that the manufacturer, retailer, or distributor agreed to provide at the time the contract was entered into have been provided.

(b) *Compliance with construction and safety standards.* When a retailer or manufacturer is providing the installation and an installer installs a home in such a way as to create an imminent safety hazard or cause the home to not comply with the construction and safety standards in part

3280 of this chapter, and those issues are discovered during the installation of the home, the sale or lease of the home is not complete until the home is corrected.

Subpart G—Retailer Responsibilities in HUD-Administered States

§3286.601 Purpose.

The purpose of this subpart G is to set out the requirements that apply to a retailer with respect to the federal installation requirements applicable to new manufactured homes that the retailer sells or leases and that will be installed in states that do not have qualifying installation programs. These requirements are in addition to other requirements that apply to retailers of manufactured homes pursuant to other parts of this chapter.

§3286.603 At or before sale.

(a) *Before contract.* (1) The retailer is required to support each transportable section of a manufactured home that is temporarily or permanently located on a site used by a retailer in accordance with the manufacturer's instructions.

(2) Before a purchaser or lessee signs a contract of sale or lease for a manufactured home, the retailer must:

(i) Provide the purchaser or lessee with a copy of the consumer disclosure statement required in §3286.7(b); and

(ii) Verify that the wind, thermal, and roof load zones of the home being purchased or leased are appropriate for the site where the purchaser or lessee plans to install the home for occupancy; and

(iii) If the cost of inspection of the home's installation is not included in the sales price of the home, provide the disclosure required in §3286.7(b).

(b) *Occupancy site not known.* When at the time of purchase the purchaser does not know the locale for the initial siting of the home for occupancy, the retailer must advise the purchaser that:

(1) The home was designed and constructed for specific wind, thermal, and roof load zones; and

(2) If the home is sited in a different zone, the home may not pass the required installation inspection because the home will have been installed in a manner that would take it out of compliance with the construction and safety standards in part 3280 of this chapter.

(c) *Verification of installer license.* When the retailer or manufacturer agrees to provide any set up in connection with the sale or lease of the home, the retailer or manufacturer must verify that the installer is licensed in accordance with these regulations.

§3286.605 After sale.

(a) *Tracking installation information.* The retailer is responsible for providing to HUD the information required pursuant to §3286.113.

(b) *Other tracking and compliance requirements.* The retailer continues to be responsible for compliance with the tracking and compliance requirements set out in subpart F of part 3282 of this chapter, which are related to HUD construction and safety standards.

§3286.607 Recordkeeping.

The retailer is responsible for the reporting and recordkeeping requirements under §3286.113.

§3286.7 Consumer information

(b) Retailer disclosures before sale or lease. Prior to execution of the sales contract to purchase or agreement to lease a manufactured home, the retailer must provide the purchaser or lessee with a consumer disclosure. This disclosure must be in a document separate from the sales or lease agreement. The disclosure must include the following information, as applicable:

(1) When the installation of the home is in a state that administers its own qualifying installation program, the consumer disclosure must clearly state that the home will be required to comply with all state requirements for the installation of the home;

(2) When the installation of the home is in a state that does not administer its own qualifying installation program, the consumer disclosure must clearly state that the home will be required to comply with federal requirements, including installation in accordance with federal installation standards set forth in 24 CFR part 3285 and certification by a licensed installer of installation work, regardless of whether the work is performed by the homeowner or anyone else, and when certification includes inspection by an appropriate person;

(3) For all homes, the home may also be required to comply with additional state and local requirements for its installation;

(4) For all homes, additional information about the requirements disclosed under paragraphs (b)(1) through (b)(4) of this section is available from the retailer and, in the case of the federal requirements, is available in part 3286 of Title 24 of the Code of Federal Regulations and from the U.S. Department of Housing and Urban Development;

(5) For all homes, compliance with any additional federal, state, and local requirements, including a requirement for inspection of the installation of the home, may involve additional costs to the purchaser or lessee; and

(6) For all homes, a recommendation that any home that has been reinstalled after its original installation should be professionally inspected after it is set up, in order to assure that it has not been damaged in transit and is properly installed.

