

Open Industry Conference Call: Questions and Answers
February 9, 2016

1. Can HUD certification classes be provided anywhere within the US or just in HUD-administered states?

HUD only approves training curricula and training providers to ensure training content and delivery meets HUD's objectives. Since HUD does not approve specific locations where training is provided, classes can be offered anywhere at the discretion of the providers. Federal regulations do not mandate the location of the training so as long as it is an approved program.

2. What is the turnaround time for obtaining a license once test has been passed?

Please allow up to four (4) weeks for processing and approval after submitting a complete installer application.

3. Who will be enforcing the licensing requirements in HUD administered states?

The U.S. Department of Housing and Urban Development (HUD) oversees the installation program in HUD-Administered states and will be enforcing all of the program requirements including licensing aspects. In addition, a local authority having jurisdiction in a HUD-administered installation state should only issue permits and certificates of occupancy for installations supervised and certified by a HUD-licensed installer.

4. I understand that local officials are the most desirable source for inspections. Please confirm for the local inspectors that there are no additional requirements for them to perform inspections.

Per 24 CFR 3286.511 any residential building inspector employed by the local authority having jurisdiction (LAHJ) can inspect manufactured homes. There are no additional requirements to perform inspections provided that there is a residential code enforcement program.

5. Will a permit need to be pulled in order to set a home in a mobile home park?

Permit requirements are not established nor enforced by the HUD-administered installation program. However, if there is an LAHJ that requires permitting for such work, the permitting requirements need to be followed. Refer to 24 CFR 3286.407(c) and 24 CFR 3285.903.

6. After the home is set up, what is the process for a resident to gain occupancy?

The home must have passed the final inspection, which includes the completion of a HUD 309 form. Part of the successful completion of the HUD 309 form is that all the utilities are connected and it can be verified that the home is ready for occupancy. Local authorities may have additional requirements for occupancy beyond the federal requirements.

7. What forms pertain to this program?

For this program, required forms depend on what segment of the industry you operate in.

- Retailers: HUD 305 (unit tracking), HUD 306 (installation tracking) and Consumer Disclosure
- Installers: HUD 307 (installer application), HUD 309 (inspection verification)
- Inspectors: HUD 309 (inspection verification)

All forms can be found at <http://www.manufacturedhousinginstallation.com/>

8. Please provide more information about the insurance and bond or irrevocable letter of credit.

Per 24 CFR 3286.205, an applicant for a HUD-issued installer license must provide evidence of and maintain, when available in the state of installation, insurance and surety bond or irrevocable letter of credit that will cover the cost of repairing all damage to the home and its supports caused by the installer during the installation up to and including replacement of the home.

To meet program minimum requirements, the insurance policy must be in the amount of at least \$250,000 with HUD listed as an additional insured. The bond or irrevocable letter of credit must be in the amount of at least \$10,000. All policies must be drawable for up to one (1) year past the expiration of the corresponding HUD-issued installer license. Additional information is available from HUD or SEBA.

9. Does the HUD-administered installation program apply to the installation of previously-owned homes?

No, the Federal program only applies to new manufactured homes on their first set.

10. At some point in the future, would the public have access to the information that is being collected in order to cross-verify in states?

At this time there has been no discussion of information sharing. However, all information collected is maintained under HUD's authority and any information dissemination would be at HUD's discretion.

11. For park owners that only lease the lot to the resident, how does the inspection process affect our ability to lease to the resident? At what point does the park owner have any involvement in the inspection process and if it fails, how does that impact the residents' ability to live there going forward?

The requirements for installation certification and inspection verification are not dependent upon whether a home is owner occupied or rented. The final inspection of the home is to occur prior to occupancy. Therefore, matters related to move in of residents would be a private contractual matter and not subject to the Regulations. We would recommend that the lease include provisions that new homes need to be properly installed and inspected prior to occupancy.

12. With adequate experience, can I skip Section 6 (experience) and move onto Section 7 (additional licenses) on the application?

There is no waiver based on experience, however, you can waive the experience if you hold additional state licenses. You must fill the application out correctly and submit copies of the state licenses for this to be applicable.

13. Regarding the HUD 309 form, do we need to send in one for each home? And once submitted, will we receive something back before we close?

Yes, one (1) HUD 309 is required per home. No, you will not receive anything back if the form is complete.