



**The FACTs:
HUD's Manufactured Housing Newsletter**



Office of Manufactured Housing Programs

March 2017

Issue 12

Welcome to the twelfth edition of The FACTs: HUD's Manufactured Housing Newsletter! The purpose of this newsletter is to connect to individuals who encompass the different aspects of manufactured housing – manufacturers, retailers, trade associations, state and local officials, lenders, and consumers. We also want to reach out to those who are curious about manufactured housing, HUD's role as a regulatory body, and the impact of rules and regulation on the industry.

If you would like to receive further issues of the FACTs newsletter, [click here](#) to be added to our database. In addition to information from HUD's Manufactured Housing program, a new feature will be implemented periodically.

This "spotlight" will feature a guest columnist from outside of the Department. The purpose of this new feature will be to relay items of interest to other manufactured housing stakeholders. If you are interested in submitting an article to the FACTs Newsletter, please send an email to mhs@hud.gov and include the words "Article Submission" in the subject line.

Manufactured Housing Consensus Committee 2016 Conference

The Manufactured Housing Consensus Committee (MHCC) held a meeting in Washington, DC at the Holiday Inn – Capitol from October 25 through 27, 2016. This was a follow-up to the meeting held at the Louisville Manufactured Housing Show at the Kentucky Expo Center in Louisville, Kentucky from January 19 through 21, 2016. MHCC Chairman, Richard Weinert, welcomed new members Loretta Dibble and Myles Standish, and asked that they introduce themselves to the committee.

Pamela Beck Danner, the Designated Federal Official for the MHCC, welcomed the committee members. After providing background on how the MHCC was formed, Ms. Danner introduced Edward Golding, the former Principal Deputy Assistant Secretary for HUD's Office of Housing. Mr. Golding reminded the committee that their work has a

great impact across the country, that manufactured housing does not get the attention it deserves, and there will always be a need to balance safety and security with cost. Mr. Golding asked the MHCC to remind HUD leadership to promote the value that the manufactured housing industry has to offer. Ms. Danner thanked Mr. Golding for his time and informed the MHCC that she recently briefed former Secretary Castro on issues concerning manufactured housing.

After the motion to approve the minutes from the August 2016 meeting passed, Rick Mendlen, Senior Structural Engineer with the Office of Manufactured Housing Programs, provided an update on several of the previously approved

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MHCC - 2016 Conference



HUD OMHP Administrator, Pamela Beck Danner and MHCC Chair, Richard Weinert.

proposals. Mr. Golding informed the committee that there is a queuing process and approvals may wait until the next administration was in place. Chairman Weinert reminded the committee members that the committee was operating on a two-year cycle; however, recommendations could become outdated after a number of years.

Don Iverson with National Electrical Manufacturers Association (NEMA), informed the MHCC that the NFPA 70-2014 Task Group decided to approve NFPA 70-2014 with proposed modifications and testimony submitted by NEMA in support of this action. Currently 35 states have adopted the 2014 edition of the NEC, which allows owners of site-built homes greater life and safety protection versus manufactured homeowners. A question was raised during the meeting that if NFPA 70-2014 was adopted, would it replace Subpart I of the Manufactured Home Construction and Safety Standards, Part 3280. Jeff Legault stated that he would prefer that NFPA 70-2014 be incorporated into Subpart I of the Standards. A motion to accept the proposed language failed a consensus and was sent back to the Technical Systems subcommittee for further review. After the Subcommittee's review, the MHCC approved the following motion:

That HUD adopt the NFPA 70-2014 as a reference standard as modified below:

- Provide an exception to NFPA 70-2014 § 210.52 (E)(3) as follows: Exception: Balconies, decks, or porches with an area of less than 20 sq. ft. are not required to have an additional receptacle installed.
- Provide an amendment to NFPA 70-2014 § 550.4(A) and (B) by striking these two sections.
- § 3280.801(b) In addition to the requirements of this part and Part II of Article 550 of the National Electrical Code (NFPA 70-20142005), the applicable portions of other Articles of the National Electric Code must be followed for electrical installations in manufactured homes. The use of arc-fault breakers under ~~Articles 210.12(A) and (B), 440.65, and 550.25(A) and (B)~~ of the National Electrical Code, NFPA No. 70-20142005 ~~is not required~~ are only required for general lighting circuits. Smoke alarms installed on a dedicated circuit do not require arc-fault protection. Wherever ~~However~~, if arc-fault breakers are provided, such use must be in accordance with the National Electrical Code, NFPA No. 70-20142005. Wherever the requirements of this standard differ from the National Electrical Code, these standards apply.

Erik Winchester with the Environmental Protection Agency, gave a presentation titled, "Formaldehyde Emission Standards for Composite Wood Products." In his presentation, Mr. Winchester explained that the Toxic Substance Control Act (TSCA) became effective on July 7, 2010. The TSCA mirrors the California Air Resources Board (CARB) limits. TSCA Title VI directs the implementation of regulations to ensure compliance with formaldehyde emission standards. Manufacturers will be required to maintain records that prove their suppliers are providing TSCA Title VI compliant products. Manufactured housing is considered a finished good under Title VI. EPA is currently working on Frequently Asked Questions regarding manufactured housing and will hold webinars to assist in the implementation of TSCA Title VI. Mr. Winchester fielded several questions from the MHCC members such as the definition of types of "woody grass", retailer record keeping, unfinished surfaces, and why manufactured housing was considered a "finished good."

Mr. Mendlen provided an overview of the preliminary working draft of the changes to the Manufactured Home Construction and Safety Standards (MHCSS), Formaldehyde Emission Controls for Certain Wood Products as a result of the EPA Rule. The changes to the MHCSS would eliminate the current health notice requirements, incorporate by reference the EPA maximum emission levels of formaldehyde allowed for hardwood, plywood, particleboard, and medium density fiberboard, and incorporates language that is consistent with the EPA rule.

On the second day of the meeting, Pamela Danner welcomed the committee back into session and encouraged the committee to visit HUD's manufactured housing booth which was setup in the room. The two brochures featured at the booth were the [Manufactured Home Dispute Resolution Program](#) and the [Manufactured Home Retailer Frequently Asked Questions](#). Ms. Danner asked committee members to take the brochures for their use and link the information from their websites.

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Angelo Wallace, Structural Engineer with the Office of Manufactured Housing Programs, updated the committee on the HUD-Administered Manufactured Home Installation Program. Since the program was introduced, HUD has conducted installation monitoring inspections in seven states: Nebraska, Maryland, South Dakota, New Jersey, Vermont, Massachusetts, and Connecticut. During the monitoring process, it was discovered that there was a need to clarify requirements and provide guidance for proper and compliant applications of Frost Free Foundation systems as an alternative to a conventional (frost depth) footings or a conventional Frost Protected Shallow Systems (FPSF) design using insulation to protect against ground freezing. When this was discovered, SEBA contacted Jay Crandell, P.E. with ARES Consulting, an expert on the topic, to provide additional information and research.

Jay Crandell presented his research supporting the report, Manufactured Home Foundations in Freezing Climates, An Assessment of Design Installation Practices for Manufactured Homes with Seasonally Frozen Ground, to the MHCC. Mr. Crandell explained that the Frost Free

Footings rely on Section 4.2 of the ASCE 32-01 standard and that Frost-Protected Shallow Foundations rely on other aspects of ASCE 32-01. However, either approach if properly executed, can conform to §3282.312 of the Installation Standards.

Mr. Crandell also noted that the key requirements in ASCE 32-01, Section 4.2 for Frost Free Foundation designs included the terms well-drained, not susceptible to frost, and design frost depth and provided detailed examples of how the terms relate to the standard. Three recommendations have been submitted to HUD for review. There are various methods to assess for frost susceptibility, however, the most common is taking a soil sample measuring the grain size distribution. The guidelines help strike a balance between engineering and installation, and allows for the use of cost-effective methods when planning a foundation.

Chairman Weinert and Ms. Danner welcomed the committee members back for the third and final day of the MHCC meeting. Then the MHCC adjourned to allow the Regulatory, and Structure and Design Subcommittees to meet and vote on log items. After the full committee reconvened, the Subcommittee provided their

reports. The MHCC approved HUD's preliminary working draft, MHCCS Formaldehyde Emission Controls for Certain Wood Products and to include four specific questions in the preamble for this rule. The MHCC approved log 135 concerning Section 3285.603, Water Supply based on the Regulatory Subcommittee's recommendation. Then Ms. Danner presented certificates to the following members leaving the committee as of December 31, 2016 to thank them for their service and dedication to the industry:

- Richard Weinert
- Ishbel Dickens
- William Freeborne
- Jeffrey Legault
- Leo Poggione (not present)
- Steven Anderson (not present)

Ms. Danner also thanked Mr. Weinert for his long-time service to the MHCC, initially joining as a committee member in 2002 to his appointment as Chairman since 2011. As a token of appreciation, Mr. Weinert was presented with a ceremonial gavel.



A Certificate of Appreciation is awarded to outgoing MHCC Chair, Richard Weinert by OMHP Administrator, Pamela Beck Danner (right) and Deputy Administrator, Teresa Payne.



MHCC member, William "Bill" Freeborne receives a Certificate of Appreciation for his years of service from OMHP Administrator, Pamela Beck Danner (right) and Deputy Administrator, Teresa Payne.



MHCC member, Ishbel Dickens receives a Certificate of Appreciation for her years of service from OMHP Administrator, Pamela Beck Danner (right) and Deputy Administrator, Teresa Payne.



MHCC member, Jeff Legault shows his Certificate of Appreciation received from OMHP Administrator, Pamela Beck Danner (left) and Deputy Administrator, Teresa Payne (right).

MHCC - Meeting in Pictures



PROPOSED RULE ON MINIMUM PAYMENTS TO STATES

On December 16, 2016, HUD's Office of Manufactured Housing Programs published a new proposed rule concerning Minimum Payments to States. The new rule is designed to address imbalances that emerged in funding HUD's 37 State Administrative Agency Partners. Under the current formula for funding SAAs, each state is funded based on a rate of \$9.00 for each transportable section located in that state, and \$2.50 for each transportable section manufactured in that state. Additionally, SAAs that were fully approved prior to December 27, 2000 were given supplemental payments to ensure, per the 2000 Amendments to the National Manufactured Home Construction and Safety Standards Act, that their compensation was no less than the total received in the twelve months prior to that date.

Under the new system, HUD proposes to fund every state at a rate of \$9.00 for every transportable section located in a state, and \$14.00 for every transportable section manufactured in that state. HUD believes this formula more accurately reflects the responsibilities of SAAs, particularly those in whose states manufacturers produce homes. However, being cognizant that some states could see a decrease in funding under this formula alone, HUD guarantees that each state shall receive funding no less than the total received for Fiscal Year 2014 (October 1, 2013 until September 30, 2014). This additional guarantee also ensures that HUD remains in compliance with the 2000 Amendments to the National Manufactured Home Construction and Safety Standards Act.

This new formula is largely based on the 'Option B' proposal presented to the Manufactured Housing Consensus Committee in August of 2015. The public comments were due by February 14, 2017.



HUD DIGITAL CAMPAIGN

To help raise awareness of how the manufactured housing industry impacts homeownership and employment nationwide, the Office of Manufactured Housing Programs broadcasted the digital ads below throughout HUD Headquarters and Field Offices through the Department's intranet web pages.



Most Common Design Review Findings

Design review attributes are used to facilitate cataloging and tracking of the design review findings, observed by the monitoring contractor, that relate to the effectiveness of the DAPIA's design review and approval process.

Period: June 2016 – December 2016

Number of Design Reviews Conducted: 13

Average Number of Findings per Review: 3.5

Ranking	Attribute	Description (Details)	Percentage of Top 10 Design Finding Categories
1	II-A	Egress Provisions <ul style="list-style-type: none"> • Lockable doors not allowed in the path of egress (50%) • Missing egress designation for windows (25%) • Removal of window sash is not allowed to meet egress size requirements (25%) 	15.4%
2	IV-C-1	Water Supply Design <ul style="list-style-type: none"> • Missing fixtures on water supply schematic (75%) • Missing water supply schematics (25%) 	15.4%
3	I-D	Design Professional's Stamp <ul style="list-style-type: none"> • Missing design professional's stamp for Wind Zones II and III (100%) 	11.5%
4	III-A-3	Hitch and Welding Details <ul style="list-style-type: none"> • Missing weld sizes (33%) • Missing bolt grade specifications (33%) • Missing jack plate support specifications (33%) 	11.5%
5	III-A-2	Splices on I-Beam <ul style="list-style-type: none"> • Missing maximum number of splices allowed on I-Beam (100%) 	7.7%
6	III-A-4	Hitch Details <ul style="list-style-type: none"> • Missing frame layout for hitch details (100%) 	7.7%
7	III-B-1	Floor Framing <ul style="list-style-type: none"> • Missing "Lead Hole Requirements" for wood having specific gravity greater than 0.5 (50%) • Missing bottom board repair details (50%) 	7.7%
8	III-C-1	Exterior Wall Details <ul style="list-style-type: none"> • Inadequate substantiation of formulae used to calculate actual stresses for top plate on sidewall (50%) • Missing limitation for maximum number of stud repairs allowable per wall (50%) 	7.7%
9	III-C-5	Header Details <ul style="list-style-type: none"> • Inadequate substantiation of roof dead loads used in the calculations for header design (50%) • Verification that calculations include both dead and live loads for header and sill plates (50%) 	7.7%
10	III-C-6	Roof Edge & Header Connection Details <ul style="list-style-type: none"> • Missing minimum bearing requirements of roofs on sidewalls (50%) • Incompatibility between the number of fasteners identified in construction details and its supporting calculations for connection in between header and sidewall (50%) 	7.7%

Most Common In-Plant Monitoring Audit Findings – Computer Coded Items (CCIs)

Computer Code Items (CCIs) are used to facilitate cataloging and tracking of the audit findings, observed by the monitoring contractor, that relate to the manufacturer’s production process.

Period: October 2016 – December 2016

Number of Audits Conducted: 20

Average Number of CCIs per Audit: 4.4

Ranking	CCI #	Description of Findings	Rate of Occurrence
1	59.1	Inadequate installation of appliances (i.e., installation not in accordance with appliance installation instructions)	25%
2	69.2	Improper installation of service equipment	18%
3-4	30.1	Improper installation of shingles	14%
	64.2	Inadequate securement of electrical nonmetallic (NM) cable	14%
5-10	13.2	Insufficient welds of outriggers and cross-members to I-beams	11%
	14.5	Improper lagging of frame to floor	11%
	29.3	Inadequate installation of metal siding	11%
	39.1	Improper depths of insulation in floors	11%
	55.2	Incorrect installation of the mechanical exhaust system	11%
	61.1	Inadequate or missing installation of electrical wiring devices in junction boxes	11%
	64.4	Poor electrical connections (i.e., not made in a workmanlike manner)	11%

Update on Manufactured Home Installation Program

As winter sets in across the country and a new year begins, the U.S. Department of Housing and Urban Development is in full swing with implementing the 2017 program objectives for the HUD Administered Manufactured Home Installation Program. The 2016 program year was a tremendous success. Last year, 428 individuals received installation training from a qualified program and 290 individuals received their HUD Installer License.

There are now over 330 HUD Licensed Installers. To date, monitoring inspections have been performed at 15 locations throughout Connecticut, Maryland, Massachusetts, Nebraska, New Jersey, South Dakota, and Vermont. As a result of these inspections, installation updates were required for 121 homes.

Among the most common discoveries were improper grading around the home, improper cap blocks, tie downs that exceed 60 degrees, and lack of approved alternative foundation designs.

HUD assessed 10 qualified state-run installation programs and four manufactured home installation manuals for regulatory compliance. Based on these reviews, some programs and manuals are receiving updates and improvements.

Additionally, the Department focused on improving installation practices in freezing climates through in-depth analysis of foundation requirements, designs, and best practices for these regions. HUD will continue this effort throughout 2017 and intends to release an Interpretative Bulletin to provide guidance on proper foundation design and installation in freezing climates.

In 2017, HUD will increase monitoring inspection efforts throughout HUD-administered states. From March to August, HUD-approved monitoring inspectors will

visit Illinois, Maryland, Montana, Nebraska, New Jersey, South Dakota, and Wyoming. Following an inspection, the retailer, installer, and/or inspector may need to provide an action plan for any aspects not meeting HUD's Model Installation Standards or the manufacturer's installation instructions.

The Department is looking forward to visiting with industry members across the country and plans to work with the various parties throughout this process to ensure complete understanding of all applicable requirements.

2017 will also see a significant effort to obtain compliance with reporting requirements throughout all HUD-administered states. For retailers, this means filling out the HUD 305 and 306 forms to track the sale and installation of the home, in addition to procuring a copy of the completed HUD 309 form and ensuring all forms are submitted to HUD via SEBA.

For installers, this means ensuring the HUD 309 form is filled out after the completed installation (with the signature of a qualified inspector), and providing a copy to all applicable parties. HUD and SEBA are always available to offer guidance on these requirements and encourage anyone who needs assistance to reach out.

HUD and SEBA were often on the move in 2016 and will continue visiting with industry leaders in 2017. Beyond monitoring inspections, HUD plans to visit New York in April for the Annual Northeast Super Symposium and Illinois for the annual Manufactured Housing Association Meeting in May 2017.

For more information on the program visit www.manufacturedhousinginstallation.com. Here you will find all program requirements, documents, announcements and important contacts. An open industry conference call with HUD will be held on March

14, 2017 at 2:00 pm EST. Dial-in: 1-415-655-0001, Access Code: 191 249 408. A pre-registration link is available at the above website. HUD looks forward to another successful year filled with progress towards making improvements in the installation of manufactured homes.



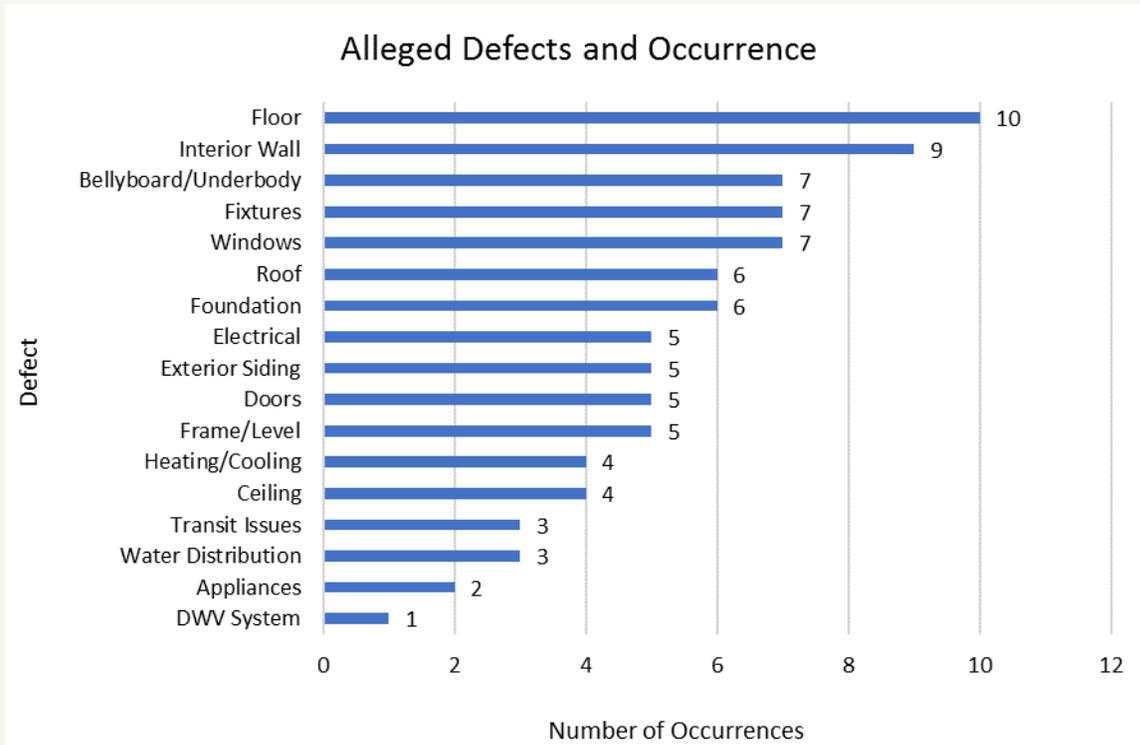
Two Fast Facts about the Manufactured Home Dispute Resolution Program

The HUD Manufactured Home Dispute Resolution Program (DRP) provides timely resolution of disputes between manufacturers, retailers, and installers regarding the responsibility for correction or repair of defects reported within the one-year period after the first installation of the home. Below are two fast facts to bring you up to speed on the DRP.

Top Five Alleged Defects:

Floors, Interior Walls, Belly board/Underbody, Fixtures, and Windows

The DRP tracks data on defects for each dispute. Some specific examples of defects include unlevel flooring or sinking floors, drywall cracking on interior walls, holes in the belly board, improperly installed can lights, and windows that don't close or seal properly. In addition to our top five alleged defects, check out the chart below to see what other defects have been reported.



Average Alleged Defects per Dispute: 5

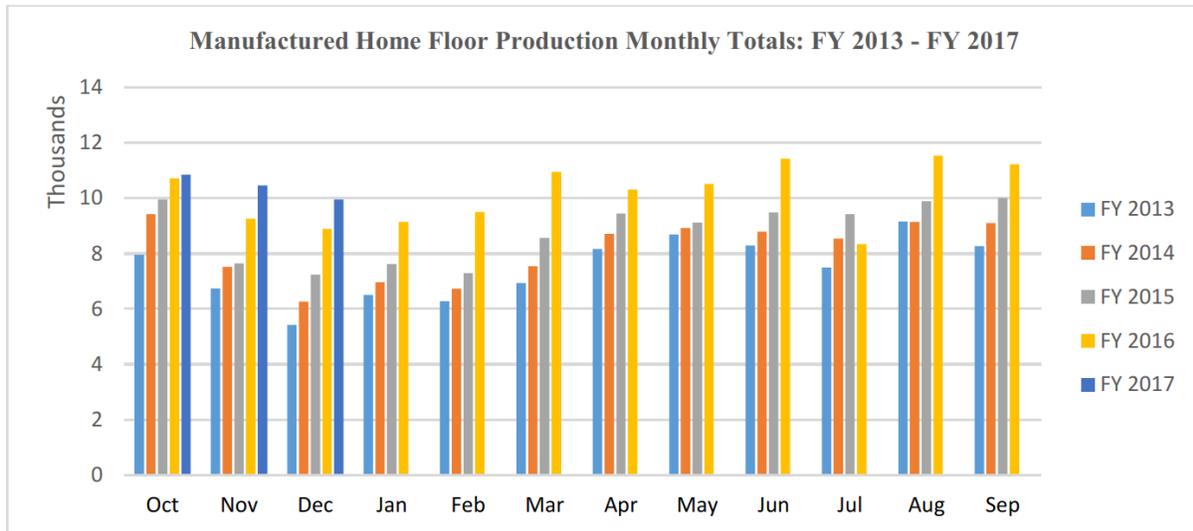
Since mediating the first dispute in March 2015, it is evident that each dispute is unique and presents different challenges. The range of alleged defects varies significantly. Some cases have only one alleged defect, however, other cases have had as many as 11 alleged defects. On average, there are five alleged defects per dispute.

To learn more about the HUD Manufactured Home Dispute Resolution Program, visit our website at www.huddrp.net. Educational materials such as a short video, brochure, frequently asked questions, and contact information are available, in addition to an online form to quickly submit dispute requests.

Did you know?...

Below are graphics that show floor and home production data provided by the Institute for Building Technology and Safety.

Manufactured Housing Monthly Production Totals



Breakout of Homes and Floors Produced by Fiscal Year-to-Date

Year-To-Date	Single-Wide Homes	Multi-Wide Homes	Total Homes*	Floors*
October – December 2015	8,320	10,163	18,483	28,848
October – December 2016	11,449	9,798	21,247	31,242
% change	+37.6%	-3.6%	+15.0%	+8.3%

* This information is based on cumulative month to month figures and does not take into account ongoing adjustments.

Fiscal Year to Date Production Information and Comparison

Month	FY13		FY14		FY15		FY16		FY17	
	Floors	Homes	Floors	Homes	Floors	Homes	Floors	Homes	Floors	Homes
October	7,954	5,127	9,412	6,078	9,938	6,505	10,714	6,846	10,841	7,154
November	6,736	4,365	7,509	4,870	7,636	4,955	9,253	5,980	10,452	7,098
December	5,420	3,480	6,262	3,985	7,228	4,704	8,881	5,657	9,949	6,995
January	6,496	4,242	6,959	4,405	7,614	4,969	9,134	5,862		
February	6,271	4,151	6,729	4,361	7,290	4,803	9,496	6,129		
March	6,930	4,467	7,530	4,899	8,554	5,602	10,949	7,110		
April	8,167	5,313	8,707	5,653	9,441	6,085	10,302	6,689		
May	8,682	5,622	8,914	5,733	9,113	5,798	10,505	6,780		
June	8,287	5,338	8,779	5,624	9,481	6,062	11,421	7,299		
July	7,489	4,793	8,538	5,675	9,413	6,085	8,332	5,335		
August	9,154	5,886	9,132	5,955	9,883	6,332	11,533	7,363		
September	8,269	5,483	9,103	5,862	10,005	6,325	11,211	7,322		
TOTALS	89,855	58,267	97,574	63,100	105,596	68,225	121,731	78,372	31,242	21,247

From the desk of the Administrator...

As we have entered a new year and the second quarter of our 2017 fiscal year, it is important to review our first quarter activities and plans for the next quarter. We had two very successful full Manufactured Housing Consensus Committee (MHCC) meetings—one in person meeting in October and a full MHCC conference call on December 12th. In the October meeting under the leadership of Chairman Weinert, the MHCC completed its log items, reviewed and approved HUD's draft proposed formaldehyde rule with some proposed edits, and initially reviewed the report entitled "Manufactured Homes in Freezing Climates, An Assessment of Design and Installation Practices for Manufactured Homes in Climates with Seasonally Frozen Ground" presented by our Office. At the December 12th MHCC conference call, preceded by the Regulatory Subcommittee Conference call on December 8th, the MHCC reviewed and provided comments on HUD's draft Interpretative Bulletin (IB) for Model Manufactured Home Installation Standards Foundation Requirements in Freezing Climates. The MHCC comments will be reviewed and discussed with the publication of the proposed IB for public comment.

On December 12, 2016, the Environmental Protection Agency (EPA) published in the Federal Register its final rule on "Formaldehyde Emission Standards for Composite Wood Products". HUD is required by the Toxic Substances Control Act Title VI as amended to finalize a rule within 180 days of the EPA final rule publication date "to ensure that the (HUD) regulation reflects the (EPA) standards". HUD is currently working on preparing its draft formaldehyde rule for Departmental clearance.

As discussed previously in this newsletter, based on the recommendations of the MHCC, HUD published a proposed rule on Minimum Payments to States in the Federal Register on December 16, 2016, with public comments due by February 14, 2017. HUD is working on preparing its draft final rule.

In November, I appreciated the opportunity provided to me by Joe Kelly, Executive Director of the Iowa Manufactured Housing Association, to address his members at their annual meeting in Cedar Rapids, Iowa. It is very valuable for me to actually learn from the industry members in the field as to what their concerns and issues are and share what we are doing at HUD with them.

At our October MHCC meeting, we thanked our outgoing MHCC members, Chairman Richard Weinert, Steven Anderson, Ishbel Dickens, William Freeborne, Jeffrey Legault, and Leo Poggione for their very much appreciated service on the MHCC. We are very pleased to welcome seven new members to the MHCC, whose terms began on January 1, 2017. They are:

User Category: Dave Anderson, Kylin Parks, and DeAnna Mireau

Producer Category: Luca Brammer and Sean Oglesby

General Interest Category: James Husom and William Colley

I have also appointed Timothy O'Leary (User Category) as the new Chairman of the MHCC and Debra Blake will continue as Vice Chair. We look forward to working with them in their MHCC leadership roles. To meet our goal of holding regional SAA/PIA meetings, we are holding a Western/Midwestern regional SAA/PIA meeting on April 11-12, 2017 in Phoenix, Arizona. We appreciate Debra Blake's valuable assistance in hosting this meeting. We also encourage manufacturers and other members of the manufactured housing community to join us for this meeting which will be held at the Sheraton Wild Horse Pass Resort.

As always, I look forward to continuing to work with you all in 2017 to provide affordable, safe, quality, and durable manufactured homes for our homeowners. Please stop by the HUD lobby when you are in town to see manufactured housing images posted on the HUD monitors as we continue to promote manufactured housing!

Wishing you a Happy New Year!



A handwritten signature in cursive script, reading "Pamela Beck Danner".

Pamela Beck Danner, Administrator

Previous editions are on the web!

<https://portal.hud.gov/hudportal/>

[HUD?src=/program offices/
housing/rmra/mhs/newsletter](https://portal.hud.gov/hudportal/housing/rmra/mhs/newsletter)

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