

Texas Department of Housing and Community Affairs

MANUFACTURED HOUSING DIVISION

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Consumer Disclosure Statement and Formaldehyde Notice

Ownership of ANY home brings many responsibilities. Buying a manufactured home involves many important and unique considerations. This disclosure is to assist you in recognizing and understanding many of those factors. Please read it carefully.

STATE OF TEXAS REGULATIONS AND OVERSIGHT: The Texas Department of Housing and Community Affairs, Manufactured Housing Division (the “Department”) regulates all aspects of the construction, sales, and installation of manufactured homes in Texas.

LOOK FOR PROOF OF LICENSE: Your properly licensed home retailer should display, or be willing to show you, its license in its sales office. Consumer to consumer home sales do not require a state license.

FEDERALLY REGULATED BUILDING CONSTRUCTION CODE: All manufactured homes are built to the federal Department of Housing and Urban Development (HUD) home construction code. For more on this code go to <https://www.ecfr.gov/current/title-24/subtitle-B/chapter-XX/part-3280>

HOME WARRANTIES: HUD and the Department require manufacturers, retailers and installers to give certain warranties on manufactured homes. The type of warranties you receive will depend on whether you are purchasing a new or used manufactured home. You will receive required warranties before entering into a purchase contract. You will receive a one year warranty from your retailer and your manufacturer when you purchase a new manufactured home. You will receive a 60 day habitability warranty when you purchase a used manufactured home. There is a two year warranty for the installation of a manufactured home, whether the home is new or used.

INSTALLATION STATE INSPECTIONS: Home installations are inspected by Department inspectors. Passing the state inspection ensures that the home was properly installed in accordance with federal and state requirements. **All licensed home installations are reported to the Department and consumers are strongly encouraged to allow state inspectors to inspect their home installations.**

PROPER SITE PREPARATION IS ESSENTIAL TO HOME PERFORMANCE: The installer is responsible for proper preparation of the site where a new home is to be installed and will follow state and federal requirements. A consumer is responsible for proper preparation of the site where a used manufactured home is to be installed.

THE MANUFACTURED HOMEOWNER CONSUMER CLAIMS PROGRAM: The Manufactured Homeowner Consumer Claims Program (Claims Program) shall be used to compensate a consumer who sustains actual damages resulting from an unsatisfied claim against a licensee if the unsatisfied claim results from a violation of certain laws. The consumer must file their claim with the Department within two years of the violation or discovery of the violation. To learn more about the Claims Program, check the Department’s website.

FINANCIAL CONSIDERATIONS

DEPOSITS AND REFUNDS: You may be required by a home retailer to place a deposit on a home to reserve the home or prevent it from being sold to another buyer for a period of time. The amount of the deposit is determined, and can be negotiated, between you and your retailer. The deposit becomes a down payment when you sign a purchase contract. You have the right to demand a refund of the deposit at any time before signing the final sales purchase contract. You must issue a **written request** for your refund to the retailer; who shall return your deposit within 15 days.

POSSIBLE RETENTION OF SOME OF DEPOSIT: A retailer may keep up to 5% of the price if the home is not bought out of the existing inventory on the lot and has to be special ordered from a factory to be built to the consumer's specifications. If the home conforms to the specifications of the consumer, the consumer refuses to accept delivery and installation of the home by the retailer, and the consumer was given conspicuous written notice of the requirements for retaining the deposit, then a retailer may keep up to 5% of the estimated cash price of the home. In addition to the possible 5% retention above, a retailer may also deduct from your deposit costs incurred to arrange for services that are performed by an appraiser of real property or a title company in connection with real property that will be included in the purchase or when real property is pledged by you as collateral for the purchase of the manufactured home. The retailer must provide notice of this possible retention before arranging the work, and an itemized list of costs after the work is performed.

RIGHT OF RESCISSION: Once you sign the final sales purchase contract your deposit becomes a down payment for the purchase of your manufactured home. From the date of signature you have 3-days to exercise your right to rescind the contract. If the contract is timely rescinded in writing your down payment should be returned to you within 15 days. You may, not later than the third day, rescind the contract **in writing** without penalty or charge. The right to rescind may be modified or waived only if you have a bona fide emergency (see Department website for more information).

FINANCING YOUR HOME PURCHASE: Your home can be financed as personal property (secured by the home only) or, if you own the land the home is on (or have a qualifying long-term lease on the land) as real property (secured by the home and the land). Consumers should shop multiple lenders to find their best terms and options.

TAXES AND INSURANCE: Most lenders will require escrow of taxes and insurance. If you do not have a lender because you paid cash for your home, you should be prepared for annual property taxes and should determine if you want insurance. Unless the home is converted to real property, you will receive a separate tax bill each year for your home.

UTILITY CONNECTIONS: Consumers are responsible to confirm and obtain, if needed, water, wastewater (septic if necessary) and utilities access to the home. Obtaining water, wastewater, and other utilities often incurs additional costs, contractors, permits and dealing with local governments.

LOCAL RESTRICTIONS AND REQUIREMENTS (ZONING): Depending on where a home is to be located it may be subject to special local requirements, including zoning and deed restrictions. These local requirements may affect where the home can be placed and may also involve other related requirements and expenses. A consumer is responsible to contact the local municipality, county, and subdivision to find out what, if any, requirements of this sort may apply to any site where you are going to place a home. It should also be noted if you purchase a Windzone I manufactured home it may not be placed in a Windzone II county that is found along the gulf coast.

FACTORS IMPACTING MONTHLY FINANCES:

- Your Loan Payments
- Adjustable Rate Loans
- Property Taxes
- Insurance
- Utilities and Water
- Lot Rent (if applicable)
- Homeowners Association Dues (if applicable)
- Maintenance and Upkeep Necessary for your Manufactured Home.

FORMALDEHYDE NOTICE:

Presence of levels of formaldehyde can be emitted in materials used in home construction. Reduced ventilation resulting from energy efficiency standards, increased temperature, or high humidity may allow air contaminants to accumulate, including levels of formaldehyde. Additional ventilation and air conditioning systems can be used to control indoor temperature, humidity, and ventilation. If you have questions on the health effect of formaldehyde or other air contaminants that might occur as part of home construction, consult your doctor or local health department before purchasing a home. This notice satisfies the Texas requirements of Sections 1201.153 & 1201.154, Occupations Code.

This Disclosure was provided to me/us by the retailer and/or lender shown below on this date. It was provided to me/us before I/we completed a credit application (if a financed transaction), or before I/we signed a contract to purchase or exchange a manufactured home.

DATE

RETAILER or LENDER

LICENSE NUMBER (if a retailer)

CUSTOMER signature

CUSTOMER signature

CUSTOMER printed name

CUSTOMER printed name

Date: _____

Date: _____