



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
September 22, 2017

Michael H. Bray, Chair

Ronnie Richards, Member

Kiran Shah, Member

Sheila M. Vallés-Pankratz, Member

Donnie W. Wisenbaker, Member

Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
September 22, 2017

ROLL CALL

	<u>Present</u>	<u>Absent</u>
Michael H. Bray, Chair	_____	_____
Ronnie Richards, Member	_____	_____
Kiran Shah, 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
1500 N. Congress, Capitol Extension Committee Room E2.028
Austin, Texas 78701
September 22, 2017 11:00 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 July 14, 2017. Chair
- Item 2. Presentation, discussion and action to approve the FY 2018 Operating Budget. Kassu Asfaw
- Item 3. Presentation, discussion and action to approve the execution of amendment to the Administrative Services Agreement for FY 2018 between the Manufactured Housing Division and TDHCA. Kassu Asfaw
- Item 4. Presentation, discussion and possible action to approve adoption of proposed amendments to 10 Texas Administrative Code Chapter 80 for publication as proposed in the Texas Register for public comment. Joe Garcia
- Item 5. Presentation, discussion and possible action to approve adoption of proposed Application for Statement of Ownership. Joe Garcia

REPORT ITEMS

- 1. Executive Director's Report to include issues relating to 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 Nicole Krueger, 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.

Agenda Action Item No. 1

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

On Friday, July 14, 2017, at 11:00 a.m., there was a regular meeting of the Manufactured Housing Board (the “Board”) at 1500 N. Congress, Capitol Extension Committee Room E2.028, Austin, Texas. Michael Bray presided. Sheila Vallés-Pankratz, Ronnie Richards and Donnie Wisenbaker constituting a quorum, attended. Kiran Shah was absent. The following Manufactured Housing Division (the “MHD”) staff were present: Joe Garcia, Amy Morehouse, Jim Hicks and Sharon Choate. Veena Mohan attended from the Office of Attorney General.

Michael Bray called the roll and confirmed the presence of a quorum.

Michael Bray asked for a motion to approve the minutes from the board meeting on August 12, 2017. Upon motion of Sheila Vallés-Pankratz, duly seconded by Ronnie Richards, the motion was unanimously approved.

Amy Morehouse presented and discussed for approval the SOAH Proposal for Decision: In the Matter of the Complaint of TDHCA vs. Hernandez Property Investments, Docket Number: 332-17-2670.MHD. Upon motion of Sheila Vallés-Pankratz, duly seconded by Donnie Wisenbaker, the Proposal for Decision was unanimously approved.

Action item 3 regarding respondent’s request for rehearing was withdrawn without any action taken.

Joe Garcia delivered the Executive Director's Report.

The Board did not go into an Executive Session.

The next board meeting was tentatively set for Friday, August 25, 2017, to begin at 11:00 a.m.

There being no further business to come before the board, the meeting was adjourned at 12:12 p.m.

Sharon Choate, Secretary

Approved:

Michael Bray, Presiding Chair

Texas Department of Housing and Community Affairs
Historical Budget Analysis
Manufactured Housing Division
For FY 2018

D R A F T

Agenda Action Item No. 2

Categories	FY 18 Budget (a)	FY 17 Budget (b)	Variance (a-b)	Percentage Change
Salaries and Wages	4,218,397	4,135,135	\$ 83,262	2%
Payroll Related Costs	861,900	845,000	16,900	2%
Travel In-State	300,000	300,000	0	0%
Travel Out-of State	0	0	0	0%
Home Owner Consumer Claims (Rider # 12)	300,000	300,000	0	0%
Professional Fees	42,000	42,000	0	0%
Materials and Supplies	110,000	110,000	0	0%
Repairs/Maintenance	140,000	135,000	5,000	4%
Printing and Reproduction	30,000	30,000	0	0%
Rental/Lease	168,000	168,000	0	0%
Membership Dues	1,100	1,100	0	0%
Staff Development	15,000	30,262	-15,262	-50%
Texas Online	19,120	19,120	0	0%
Employee Tuition	1,000	1,000	0	0%
Advertising	1,000	1,000	0	0%
Freight/Mail Delivery	20,000	15,000	5,000	33%
Temporary Help	25,000	50,000	-25,000	-50%
Furniture/Equipment	65,000	80,000	-15,000	-19%
Communications/Utilities	75,000	75,000	0	0%
Capital Outlay - Computers/Server	130,000	46,000	84,000	183%
State Office of Risk Management	10,000	10,000	0	0%
Subtotal	6,532,517	6,393,617	138,900	2%
Indirect Support	512,127	512,127	-	0%
Total Manufactured Housing *	7,044,644	\$ 6,905,744	\$ 138,900	2%

FTE's	64	64	-	0%
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Method of Finance:

General Revenue	19,120	19,120	-	0%
Appropriated Receipts	6,725,524	6,586,624	138,900	2%
Federal Funds	300,000	300,000	-	0%
Total Method of Finance	7,044,644	\$ 6,905,744	\$ 138,900	2%

*** NOTE: Breakdown of the Total Budget:**

1. \$ 5,670,617 - Total Direct Strategies Appropriations to MHD
2. \$ 861,900 - Payroll related costs - an indirect appropriation, which is a state-wide allocation by the Comptroller; it's included here for assessment or information purpose.
3. \$ 512,127 - Administrative Support costs - an indirect appropriation, which is the service contract fees with the TDHCA; it's included here for assessment or information purpose.

\$7,044,644

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Operating Budget Allocation to Direct Strategies
For FY 2018

Description	Expenditures	E.1.1. SOL & Licensing	E.1.2. Inspections	E.1.3. Enforcement	E.1.4. Texas Online	Total Budget
Salaries and Wages	\$ 4,218,397	1,476,439	1,434,255	1,307,703		\$ 4,218,397
Payroll Related Costs	861,900	301,665	293,046	267,189	-	861,900
Travel In-State	300,000	11,000	284,000	5,000	-	300,000
Travel Out-of State	0	0			-	0
Home Owner Consumer Claims (Rider # 12)	300,000	0	0	300,000	-	300,000
Professional Fees	42,000	14,700	14,280	13,020	-	42,000
Materials and Supplies	110,000	57,000	35,400	17,600	-	110,000
Repairs/Maintenance	140,000	49,000	47,600	43,400	-	140,000
Printing and Reproduction	30,000	10,500	10,200	9,300	-	30,000
Rental/Lease	168,000	147,779	12,239	7,982	-	168,000
Membership Dues	1,100	420	390	290	-	1,100
Registration Fees	15,000	5,250	5,100	4,650	-	15,000
Texas Online	19,120	0	0	0	19,120	19,120
Employee Tuition	1,000	360	330	310	-	1,000
Advertising	1,000	700	150	150	-	1,000
Freight/Delivery	20,000	7,000	6,800	6,200	-	20,000
Temporary Help	25,000	8,750	8,500	7,750	-	25,000
Furniture/Equipment	65,000	22,750	22,100	20,150	-	65,000
Communications/Utilities	75,000	28,000	24,700	22,300	-	75,000
Capital Outlay - Computers/Server	130,000	45,500	44,200	40,300	-	130,000
State Office of Risk Management	10,000	3,700	3,400	2,900	-	10,000
	6,532,517	\$ 2,190,513	\$ 2,246,690	\$ 2,076,194	\$ 19,120	\$ 6,532,517

FTE's 64 29 19.6 15.4 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One	2,190,513	0	2,190,513	2,190,513
Strategy Two	2,246,690	0	200,000	2,246,690
Strategy Three	2,076,194	0	100,000	2,076,194
Strategy Four	19,120	19,120	0	19,120
	\$ 6,532,517	\$ 19,120	\$ 300,000	\$ 6,532,517

Indirect Support:

	F.1.1.	F.1.2.	F.1.3.	Total
Financial Administration	179,075	179,075		179,075
Information Resource Technologies	174,506	174,506		174,506
Operating Support	158,546		158,546	158,546
	\$ 512,127	\$ 179,075	\$ 158,546	\$ 512,127

Method of Finance:

Appropriated Receipts	\$ 512,127	\$ 179,075	\$ 174,506	\$ 158,546	\$ 512,127
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**Manufactured Housing Division
Revenue Summary and Projections
For FY 2018-17**

FEE TYPE	FY 2018 Projected (c)	FY 2017 Act/Est (d)	Variance (c-d)	Percentage Change
Training	109,473	109,473	-	0%
SOL - Titles	3,429,472	3,429,472	-	0%
Licenses	800,000	733,110	66,890	9%
Inspections	1,513,322	1,513,322	-	0%
Admin. Penalties	9,290	9,290	-	0%
Public Information	275	275	-	0%
Reimbursement - HORTF	100,000	76,503	23,497	31%
Returned Check Charge	-	-	-	0%
	5,961,832	5,871,445	90,387	2%
Federal Fund	522,412	522,412	-	0%
Total	\$ 6,484,244	\$ 6,393,857	\$ 90,387	1%

*** Note: The assumptions for FY 2018 revenues use the actual/estimates for FY 2017 and modified historical trends.**

**Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Budget and Expense Status
 September 1, 2016- August 31, 2017
 For FY 2017**

Budget Categories	Annual Budget (a)	*1 YTD Act/Est. Expenses Sep - Aug (b)	Remaining Budget As of August (a-b)	Remaining Budget Not Used %
Salaries and Wages	\$ 4,135,135	\$ 3,780,710	354,425	9%
Payroll Related Costs	845,000	855,252	(10,252)	-1%
Travel In-State	300,000	295,000	5,000	2%
Travel Out-of State	0	0	0	0%
Home Owner Consumer Claims (Rider # 12)	300,000	70,909	229,091	76%
Professional Fees	42,000	35,458	6,542	16%
Materials and Supplies	110,000	90,000	20,000	18%
Repairs/Maintenance	135,000	108,055	26,945	20%
Printing and Reproduction	30,000	10,592	19,408	65%
Rental/Lease	168,000	166,700	1,300	1%
Membership Dues	1,100	262	838	76%
Saff Development	30,262	10,079	20,183	67%
Texas Online	19,120	12,302	6,818	36%
Employee Tuition	1,000	0	1,000	100%
Advertising	1,000	300	700	70%
Freight/Mail Delivery	15,000	14,194	806	5%
Temporary Help	50,000	14,559	35,441	71%
Furniture/Equipment	80,000	58,676	21,324	27%
Communications/Utilities	75,000	69,543	5,457	7%
Capital Outlay	46,000	32,464	13,536	29%
State Office of Risk Management	10,000	9,974	26	0%
Subtotal	6,393,617	5,635,028	758,589	12%
Indirect Support	512,127	454,121	58,006	11%
Total Manufactured Housing	\$ 6,905,744	\$ 6,089,148	\$ 816,596	12%

*** 1 YTD expenses column represents actual expenditures from September to July, and projected expenditures for the month of August 2017.**

Exhibit A

**Manufactured Housing
Administrative Support Schedule
Fiscal Year 2018**

	FTE's	Salaries	Payroll Related Costs	Total
Support:				
Executive Office	0.10	\$ 11,653	\$ 2,680	\$ 14,333
Internal Audit	0.40	26,740	6,150	32,890
Policy and Public Affairs	0.22	18,436	4,240	22,676
Human Resources	0.40	24,410	5,614	30,024
Purchasing and Facilities Management	0.90	47,659	10,962	58,621
Information Systems	2.08	141,875	32,631	174,506
Financial Administration:				-
Director, Financial Administration	0.10	10,175	2,340	12,515
Payroll	0.20	12,982	2,986	15,968
Accounting Manager	0.15	14,245	3,276	17,521
Travel	0.50	26,702	6,141	32,843
Payables	0.45	26,329	6,056	32,385
Program Accountant	1.00	55,158	12,686	67,844
Total Support, Manufactured Housing	6.50	\$ 416,364	\$ 95,762	\$ 512,126

Agenda Action Item No. 3

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
AND
MANUFACTURED HOUSING DIVISION'S
ADMINISTRATIVE SERVICES AND COST REIMBURSEMENT AGREEMENT

This Administrative Services and Cost Reimbursement Agreement ("Agreement") is made effective as of September 1, 2017 by and between the **Texas Department of Housing and Community Affairs**, a public and official department of the State of Texas ("TDHCA"), and the **Manufactured Housing Division** of TDHCA.

RECITALS:

WHEREAS, Subchapter AA, Sections 2306.6001 through 2306.6023 of the Texas Government Code, requires:

- (1) that beginning on September 1, 2001, TDHCA began to administer and enforce the Texas Manufactured Housing Standards Act (Chapter 1201 of the Texas Occupations Code) through the Manufactured Housing Division ("MH Division");
- (2) that the MH Division be governed by a five member board that is to be an independent entity within TDHCA, administratively attached to TDHCA, and not an advisory board to TDHCA ("MH Board");
- (3) that the MH Board and the division director of the MH Division are to exercise authority and responsibilities assigned to them under the Texas Manufactured Housing Standards Act (Chapter 1201 of the Texas Occupations Code); and
- (4) that the MH Board shall develop a budget for the operations of the department relating to the MH Division and shall reduce administrative costs by entering into an agreement with TDHCA to enable the sharing of department personnel, equipment, and facilities.

NOW THEREFORE, TDHCA has agreed to provide for indirect and direct administrative services as hereinafter provided for a monthly administrative fee described herein to be paid by the MH Division to TDHCA. The parties, TDHCA and the MH Division, agree as follows:

1. ADMINISTRATIVE SERVICES AND REIMBURSEMENT OF OPERATING COSTS

1.1 Scope of Services

During the term of this Agreement, TDHCA shall continue to provide for the budgeted costs and expenses set out on the annual operating budget for the MH Division attached as Exhibit "A" in the manner contemplated by the annual operating budget for TDHCA and to account for all such actual payments and receipts. These services, will include, but not be limited to, administrative support services from TDHCA's Executive Office; Internal Audit; Policy and Public Affairs; Human Resources; Purchasing and Facilities Management; Information Systems; and Financial Administration (collectively the "Services").

2. TERM

2.1 Term

This Agreement shall be effective September 1, **2017** and shall continue in full force and effect until August 31, **2018**, unless sooner terminated pursuant to Section 4.1 of this Agreement.

3. ADMINISTRATIVE SERVICES FEES AND COST REIMBURSEMENTS

3.1 Reimbursement to TDHCA for Operating Costs

TDHCA shall be reimbursed by the MH Division for all operating costs incurred by TDHCA on their behalf out of budgeted receipts attributable to the MH Division as set out on Exhibit "A".

3.2 Payments to TDHCA for Services

As compensation for the Services performed by TDHCA personnel pursuant to this Agreement, TDHCA shall be paid \$42,677.25 monthly by the MH Division (or a total annual amount not to exceed \$512,127.00) for each month during the term of this Agreement.

4. TERMINATION OF AGREEMENT

4.1 Early Termination

Either party and, the duly constituted MH Board contemplated by Chapter 2306 once appointed, may terminate this Agreement prior to the August 31, **2018** term provided in Section 2.1 upon 30 days' written notice to the other party. Administrative fees due for Services provided up to and including the date of such early termination shall be prorated and shall be payable in full to TDHCA upon such early termination. If this Agreement is terminated by the MH Board, TDHCA agrees to take all actions necessary to deliver to the MH Board possession or control of all books, records, and property of the MH Division in TDHCA's possession in an orderly manner and without interruption of the MH Division's business.

5. FORCE MAJEURE

5.1 Force Majeure

In the event that performance by a party of any of its obligations under the terms of this Agreement shall be interrupted or delayed by an act of God, by acts of war, riot, or civil commotion, by an act of State, by strikes, fire, or flood, or by the occurrence of any other event beyond the control of such party, such party shall be excused from such performance during the period of time when the interruption occurred and for such period of time as is reasonably necessary after such occurrence abates for the effects thereof to have dissipated.

6. MISCELLANEOUS

6.1 Notices

All notices, requests, demands and other communications under this Agreement shall be deemed to be duly given if delivered or sent in accordance with this Section 6.1 and all of its subsections; and if addressed as follows:

If to TDHCA to:

Texas Department of Housing and Community Affairs
221 E. 11th Street, Third Floor
Austin, Texas 78701
ATTENTION: Timothy K. Irvine, TDHCA Executive Director
Tim.Irvine@tdhca.state.tx.us
FAX: (512) 469-9606

If to the Manufactured Housing Division to:

Manufactured Housing Division
1106 Clayton LN. Twin Towers, Suite 270W
Austin, Texas 78723
ATTENTION: Joe Garcia, MH Division, Executive Director
Joe.Garcia@tdhca.state.tx.us
FAX: (512) 475-0495

or to such other address or to the attention of such other person as the recipient party has specified in accordance with this Section 6.1 by prior written notice to the sending party. Every notice required or contemplated by this Agreement to be given, delivered or sent by any party may be delivered in person or may be sent by courier, facsimile, e-mail, first class mail, or certified mail (or its equivalent under the laws of the country where mailed), addressed to the party for whom it is intended, at the address specified in this Agreement. Any party may change its address for notice by giving notice to the other parties of the change. Any written notice will be effective no later than the date actually received. Unless otherwise provided in this Agreement, notice by courier, express mail, certified mail, or registered mail will be effective on the date it is officially recorded as delivered by return receipt or equivalent and in the absence of such record of delivery it will be presumed to have been delivered on the fifth business day after it was deposited, first-class postage prepaid, in the United States first class mail. Notice not given in writing will be effective only if acknowledged in writing by a duly authorized officer of the party to whom it was given.

6.2 Entire Agreement

This Agreement contains the entire agreement of the parties with respect to the matters covered by its terms. Any written or oral representations, promises, agreements or understandings concerning the subject matter of this Agreement that is not contained in this Agreement shall be of no force or effect. No change, modification or waiver of any of the terms of this Agreement shall be binding unless reduced to writing and signed by authorized representatives of both parties.

6.3 Assignment

This Agreement shall be binding upon and inure to the benefit of the parties hereto, and the legal representatives, successors in interest and assigns, respectively, of each such party. Notwithstanding the preceding sentence, this Agreement shall not be assigned in whole or in part by either party without the prior written consent of the other party.

6.4 Governing Law

This Agreement shall be construed under and governed in all respects, including without limitation, issues of validity, interpretation, performance and enforcement, by the laws, and not the conflicts of law, of the State of Texas.

6.5 No Waiver

The failure of any party hereto at any time to require performance of any provision of this Agreement shall in no way affect the right of such party to require performance of that provision. Any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself or a waiver of any right under this Agreement.

6.6 Partial Invalidity

If any one or more of the provisions of this Agreement should be ruled wholly or partly invalid or unenforceable by a court or other government body of competent jurisdiction, then:

- (A) the validity and enforceability of all provisions of this Agreement not ruled to be invalid or unenforceable will be unaffected;
- (B) the effect of the ruling will be limited to the jurisdiction of the court or other government body making the ruling;
- (C) the provision(s) held wholly or partly invalid or unenforceable will be deemed amended, and the court or other government body is authorized to reform the provision(s), to the minimum extent necessary to render them valid and enforceable in conformity with the parties' intent as manifested herein; and
- (D) if the ruling, and/or the controlling principle of law or equity leading to the ruling, is subsequently overruled, modified, or amended by legislative, judicial, or administrative action, then the provision(s) in question as originally set forth in this Agreement will be deemed valid and enforceable to the maximum extent permitted by the new controlling principle of law or equity.

6.7 Time

Time is of the essence under this Agreement. If the last day permitted for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday, or legal holiday in the State of Texas, the time for such performance shall be extended to the next succeeding business day that is not a legal holiday.

6.8 Jurisdiction and Venue

Suit to enforce this Agreement or any provision thereof will be brought exclusively in the state or federal courts located in Austin, Travis County, Texas.

6.9 Section Headings

The article and section headings contained in this Agreement are for reference purposes only and shall not in any way control the meaning or interpretation of this Agreement. Each person signing below represents that he or she has read this Agreement in its entirety (including any and all Schedules and Exhibits); understands its terms; is duly authorized to execute this Agreement on behalf of the party indicated below by his name; and agrees on behalf of such party that such party will be bound by those terms.

IN WITNESS WHEREOF, the parties have signed this Agreement to be effective as of September 1, 2017.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

By: _____
Timothy K. Irvine
Executive Director

MANUFACTURED HOUSING DIVISION

By: _____
Joe A. Garcia
Executive Director

MEMBERS OF THE TEXAS MANUFACTURED HOUSING BOARD:

Michael Bray, Chairman

Sheila M. Valles-Pankratz, Member

Ronnie Richards, Member

Donnie W. Wisenbaker, Member

Kiran Shah, Member

ADMINISTRATIVE SERVICES AGREEMENT AND COST REIMBURSEMENT AGREEMENT

Exhibit A

**Manufactured Housing
Administrative Support Schedule
Fiscal Year 2018**

	FTEs	Salaries	Payroll Related Costs	Total
Support:				
Executive Office	0.10	\$ 11,653	\$ 2,680	\$ 14,334
Internal Audit	0.40	26,740	6,150	32,890
Policy and Public Affairs	0.22	18,436	4,240	22,676
Human Resources	0.40	24,410	5,614	30,025
Purchasing and Facilities Management	0.90	47,659	10,962	58,621
Information Systems	2.08	141,875	32,631	174,506
Financial Administration:				
Director, Financial Administration	0.10	10,175	2,340	12,515
Payroll	0.20	12,982	2,986	15,968
Accounting Manager	0.15	14,245	3,276	17,521
Travel Accountant	0.50	26,702	6,141	32,843
Payables	0.45	26,329	6,056	32,384
Program Accountant	1.00	55,158	12,686	67,844
Total Support, Manufactured Housing	6.50	\$ 416,364	\$ 95,762	\$ 512,127

Agenda Action Item No. 4

Preamble for Proposed Manufactured Housing Rules
Administrative Rules of the Texas Department of Housing and Community Affairs
10 Texas Administrative Code, Chapter 80

The Manufactured Housing Division of the Texas Department of Housing and Community Affairs (the "Department") proposes to amend 10 Texas Administrative Code, Chapter 80, §§80.2, 80.3, 80.32, 80.33, 80.36, 80.38, 80.40, 80.41, 80.73, 80.80, 80.90 and 80.91 relating to the regulation of the manufactured housing program. The rules are revised to comply with House Bill 2019 (85th Legislature, 2017 regular session) that amends the Manufactured Housing Standards Act and for clarification purposes.

Section 80.2(2): Clarification of the definition of business days.

Section 80.3(c): The term of lease-purchase is removed and the name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.3(g): The reference to the home previously being designated for business use is removed and the name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.3(h)(3): The name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.3(k), (1) and (2): The name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.32(b), (c), (h) and (u): Removed the reference to lease-purchase.

Section 80.32(d) and (g): The name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.32(p): The name of the Texas Manufactured Homeowners' Recovery Trust Fund changed to the Texas Manufactured Homeowner Consumer Claims Program (Claims Program).

Section 80.33(g): Additional responsibilities are added for contracting installers subcontracting the installation and included the requirement for provisional installers to submit a copy of the Notice of Installation to the Department's Field Office within three days of installation.

Section 80.33(h): The name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.36(a): The name of the Statement of Ownership and Location is changed to the Statement of Ownership.

Section 80.38(b): Removed the requirement that the Governor of Texas must declare existence of an emergency, which allows the consumer the right to waive their three day right of rescission in case of an emergency, rather than only after a governor declared natural disaster.

Section 80.40(a): Made a correction in the last sentence by deleting the word "of."

Section 80.41(c)(4) – (8): Includes additional requirements for the licensing education course for related persons added to licenses.

Section 80.41(d)(1): Removed all the Continuing Education specific hour requirements.

Section 80.41(d)(2): Added requirement that all related persons added to a license must complete the eight hours of continuing education every two years.

Section 80.41(e)(4)(A): Removed language requiring fingerprints to be obtained prior to applying for a license.

Section 80.41(f)(1)(C): The name of the Trust Fund changed to the Manufactured Homeowner Consumer Claims Program.

Section 80.73(i): The new subsection allows a purchaser of a manufactured home for business use to file a complaint against the retailer if the home is not habitable, if they disclosed to the retailer in writing at the time of purchase the intent for a person to be present for regularly scheduled work of not less than eight hours.

The title of Subchapter F is changed from Manufactures Homeowners' Recovery Trust Fund to Manufactured Homeowner Consumer Claims Program.

The title of Section 80.80 is changed from Administration of Claims under the Manufactured Homeowners' Recovery Trust Fund to Manufactured Homeowner Consumer Claims Program.

Section 80.80(a), (b) and (f): Revised the name from Manufactured Homeowners' Recovery Trust Fund or the Fund to either Manufactured Homeowner Consumer Claims Program or the Claims Program.

The title of Subchapter G is changed from Statements of Ownership and Location to Statements of Ownership.

The title of Section 80.90 is changed from Issuance of Statements of Ownership and Location to Issuance of Statements of Ownership.

Section 80.90(a), (b) and (c): Changed the application name from application for statement of ownership and location to application for statement of ownership.

Section 80.90(d): Removes the requirement for certified copies of supporting documentation to accept just copies.

Section 80.90(e): Updates the name of Statement of Ownership and Location by removing "and Location" and includes the term Certificates of Attachment as automatically converting to the new document of title, the Statement of Ownership.

Section 80.90(f), (g), (h) and (i): Updates the name of the Statement of Ownership and the application by removing "and location."

Section 80.91(a): Changes SOL to Statement of Ownership.

Section 80.91(c): The new subsection relating to issuance of a Texas Seal requires an affidavit of fact attesting that no serial numbers can be found on the home and an explanation of any known purchase history.

Joe A. Garcia, Executive Director of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs, has determined that for the first five-year period that the proposed rules are in effect there will be no fiscal implications for state or local government as a result of enforcing or administering these sections. There will be no effect on small or micro-businesses because of the proposed amendments. Companies with a related person(s) may realize an increase in educational costs associated with the Standards Act. There are no additional anticipated economic costs to persons who are required to comply with the proposed rules.

Mr. Garcia also has determined that for each year of the first five years that the proposed rules are in effect the public benefit as a result of enforcing the amendments will be to provide clarification of procedures and to comply with the Manufactured Housing Standards Act.

Mr. Garcia has also determined that for each year of the first five years the proposed rules are in effect there should be no adverse effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act (APA), Texas Government Code §2001.022.

If requested, the Department will conduct a public hearing on this rulemaking, pursuant to the Administrative Procedure Act, Texas Government Code §2001.029. The request for a public hearing must be received by the Department within 15 days after publication.

Comments may be submitted to Mr. Joe A. Garcia, Executive Director of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs, P. O. Box 12489, Austin, Texas 78711-2489 or by e-mail at mhproposedrulecomments@tdhca.state.tx.us. The deadline for comments is no later than 30 days from the date that these proposed rules are published in the *Texas Register*.

The amendments are proposed under §1201.052 of the Texas Occupations Code, which provides the Director with authority to amend, add, and repeal rules governing the Manufactured Housing Division of the Department and §1201.053 of the Texas Occupations Code, which authorizes the board to adopt rules as necessary and the director to administer and enforce the manufactured housing program through the Manufactured Housing Division.

No other statutes, codes, or articles are affected by the proposed rules.

The agency hereby certifies that the proposed amendments have been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Proposed Manufactured Housing Rules

Effective: TBD

*Administrative Rules of the Texas Department of Housing and Community Affairs
10 Texas Administrative Code, Chapter 80*

TABLE OF CONTENTS

SUBCHAPTER A. CODES, STANDARDS, TERMS, FEES AND ADMINISTRATION	1
§80.1. TEXAS MANUFACTURED HOUSING STANDARDS CODE.	1
§80.2. DEFINITIONS.....	1
§80.3. FEES.	1
§80.4. ADVISORY COMMITTEE.....	2
SUBCHAPTER B. INSTALLATION STANDARDS AND DEVICE APPROVALS	2
§80.20. REQUIREMENTS FOR MANUFACTURER'S DESIGNS AND INSTALLATION INSTRUCTIONS.	2
§80.21. REQUIREMENTS FOR THE INSTALLATION OF MANUFACTURED HOMES.....	2
§80.22. GENERIC STANDARDS FOR MOISTURE AND GROUND VAPOR CONTROLS.	2
§80.23. GENERIC STANDARDS FOR FOOTERS AND PIERS.....	2
§80.24. GENERIC STANDARDS FOR ANCHORING SYSTEMS.	3
§80.25. GENERIC STANDARDS FOR MULTI-SECTION CONNECTIONS STANDARDS.....	3
§80.26. REGISTRATION OF STABILIZING COMPONENTS AND SYSTEMS.	3
SUBCHAPTER C. LICENSEES' RESPONSIBILITIES AND REQUIREMENTS.....	3
§80.30. ALL LICENSEES' RESPONSIBILITIES.....	3
§80.31. MANUFACTURERS' RESPONSIBILITIES AND REQUIREMENTS.	3
§80.32. RETAILERS' RESPONSIBILITIES AND REQUIREMENTS.	3
§80.33. INSTALLERS' RESPONSIBILITIES AND REQUIREMENTS.....	5
§80.34. BROKERS' RESPONSIBILITIES AND REQUIREMENTS.....	6
§80.35. SALESPERSON'S RESPONSIBILITIES AND REQUIREMENTS.....	6
§80.36. RETAILERS' REBUILDING RESPONSIBILITIES AND REQUIREMENTS.....	6
§80.37. CORRECTION REQUIREMENTS.	6
§80.38. RIGHT TO ADVANCE COPY OF CERTAIN DOCUMENTS.	6
SUBCHAPTER D. LICENSING.....	6
§80.40. SECURITY REQUIREMENTS.	6
§80.41. LICENSE REQUIREMENTS.....	7
SUBCHAPTER E. ENFORCEMENT.....	9
§80.70. ENFORCEMENT.	9
§80.71. RULES FOR HEARINGS.	9
§80.72. SANCTIONS AND PENALTIES.	9
§80.73. PROCEDURES FOR HANDLING CONSUMER COMPLAINTS.	9
SUBCHAPTER F. MANUFACTURED MANUFACTURES HOMEOWNER CONSUMER CLAIMS PROGRAMS' RECOVERY TRUST FUND	9
§80.80. ADMINISTRATION OF CLAIMS UNDER THE MANUFACTURED HOMEOWNER CONSUMER CLAIMS PROGRAM s' RECOVERY TRUST FUND.	9
SUBCHAPTER G. STATEMENTS OF OWNERSHIP AND LOCATION	10
§80.90. ISSUANCE OF STATEMENTS OF OWNERSHIP AND LOCATION.	10
§80.91. ISSUANCE OF A TEXAS SEAL.....	12
§80.92. INVENTORY FINANCE LIENS.	13
§80.93. RECORDING TAX LIENS ON MANUFACTURED HOMES.	13
§80.94. REPORT TO COUNTY TAX ASSESSOR-COLLECTORS AND COUNTY APPRAISAL DISTRICTS.	13

SUBCHAPTER A. CODES, STANDARDS, TERMS, FEES AND ADMINISTRATION

§80.1. *Texas Manufactured Housing Standards Code.*

(No change.)

§80.2. *Definitions.*

Terms used herein that are defined in the Code and the Standards Act have the meanings ascribed to them therein. The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) (No change.)
- (2) Business days--Includes every day on the calendar except Saturday, Sunday, and federal and state holidays. If there is a time limitation of five (5) days or less, within the Standards Act, it is business days unless specified otherwise.
- (3) - (26) (No change.)

§80.3. *Fees.*

(a) – (b) (No change.)

(c) Seal Fee: Except for an application by a tax appraiser or a tax assessor-collector, for which there is no fee, there is a fee of \$35 for the issuance of a Texas Seal for one manufactured home section. Any person who sells, exchanges, ~~lease purchases~~, or offers for sale ~~or~~; exchange, ~~or lease purchase~~ one or more sections of used HUD-Code manufactured homes manufactured after June 15, 1976, that do not each have a HUD label affixed, or one or more sections of a used mobile home manufactured prior to June 15, 1976, that do not each have a Texas Seal affixed shall file an Application for Statement of Ownership ~~and Location~~ to the Department for a Texas Seal and issuance of an updated Statement of Ownership ~~and Location~~. The application shall be accompanied by the seal fee of \$35 per section made payable to the Department.

(d) - (f) (No change.)

(g) There is a fee of \$150 for the inspection of a manufactured home which is to be designated for residential use ~~and after having been previously designated for business use or which~~ is elected as personal property after having been designated as real property. The purpose of the inspection is to determine if the home is habitable. The fee must accompany a written request for inspection and must be submitted either prior to or in connection with the submission of an Application for Statement of Ownership ~~and Location~~.

(h) There is a fee of \$200 for the plan review and inspection of a salvaged manufactured home which is to be rebuilt. The purpose of the inspection is to determine if the

home is habitable as defined by §1201.453 of the Standards Act so that it may be designated for residential use.

(1) – (2) (No change.)

(3) The Department shall invoice the retailer for the charges incurred, and no Statement of Ownership ~~and Location~~ shall be issued until all charges and fees have been paid.

(i) - (j) (No change.)

(k) Fees Relating to Statements of Ownership ~~and Location~~. Each fee shall accompany the required documents delivered or mailed to the Department at its principal office in Austin.

(1) A fee of \$55 will be required for the issuance of a Statement of Ownership ~~and Location~~.

(2) If a correction of a document is required as a result of a mistake by the Department, there is no fee for the issuance of corrected document. However, if the error was not made by the Department, a request for correction of the error must be made on a completed Application for Statement of Ownership ~~and Location~~ and submitted to the Department along with the required fee of \$55 and any necessary supporting documentation.

(3) – (4) (No change.)

(l) - (n) (No change.)

§80.4. Advisory Committee.

(No change.)

SUBCHAPTER B. INSTALLATION STANDARDS AND DEVICE APPROVALS

§80.20. Requirements for Manufacturer's Designs and Installation Instructions.

(No change.)

§80.21. Requirements for the Installation of Manufactured Homes.

(No change.)

§80.22. Generic Standards for Moisture and Ground Vapor Controls.

(No change.)

§80.23. Generic Standards for Footers and Piers.

(No change.)

§80.24. Generic Standards for Anchoring Systems.

(No change.)

§80.25. Generic Standards for Multi-Section Connections Standards.

(No change.)

§80.26. Registration of Stabilizing Components and Systems.

(No change.)

SUBCHAPTER C. LICENSEES' RESPONSIBILITIES AND REQUIREMENTS

§80.30. All Licensees' Responsibilities.

(a) - (i) (No change.)

§80.31. Manufacturers' Responsibilities and Requirements.

(a) - (e) (No change.)

§80.32. Retailers' Responsibilities and Requirements.

(a) (No change.)

(b) At the time of signing a contract for the sale ~~or lease~~ of a manufactured home, the retailer must disclose to the purchaser, a notice of the existence of a Dispute Resolution Program through HUD, either on a separate document from the sales contract or it may be incorporated clearly at the top of the sales contract. Disclosure of this requirement should be acknowledged by the consumer.

(c) A retailer shall timely provide each consumer who acquires a manufactured home by sale ~~or~~; exchange ~~with, or lease purchase~~ the applicable warranty or warranties specified in the Standards Act and any warranty regarding the home itself shall specify whether the warranty includes cosmetic items or not and, if it does include them, whether there are any limitations or special requirements, such as a walk-through punch lists, excluded items, or the like.

(d) For each manufactured home taken into a retailer's inventory, a retailer shall maintain a copy of either a completed and timely submitted application for a statement of ownership ~~and location~~ to reflect the home as inventory or, once such a statement of ownership ~~and location~~ has been issued and received, a copy of that statement of ownership ~~and location~~.

(e) (No change.)

(f) (No change.)

- (g) If a retailer relies on a third party, such as a title company or closing attorney, to file with the Department the required forms necessary to enable the Department to issue a Statement of Ownership ~~and Location~~ to a consumer, the retailer must provide an instruction letter to that third party, advising them of their responsibilities to make such filings and the required timeframes therefore. This does not relieve the retailer from responsibility. The retailer must retain with their sale records a copy of that instruction letter and all documentation provided to such third party to enable them to make such filings. This optional form is available on the Department's website.
- (h) On a new manufactured home and on any used manufactured home where the sale ~~or~~; exchange ~~or lease-purchase~~ includes installation, the retailer must specify in the applicable contract or an accompanying written disclosure the intended date by which installation will be complete and a designated person to contact for the current status as to the intended date for completion of installation. For new manufactured homes, the retailer is responsible for ensuring that a licensed installer warrants the proper installation of the home and performs the required site preparation.
- (i) - (o) (No change.)
- (p) In order to comply with the provisions of §1201.107(d) of the Standards Act, a retailer or broker must:
- (1) have a current, in effect surety bond issued in the most recent form promulgated by the Department; and
 - (2) the applicable sales agreement must identify the surety bond that applies to the transaction and contain the following statement: “The above-described surety bond applies to this transaction in the following manner: The bond is issued to the Texas Manufactured Homeowner Consumer Claims Program (the “Claims Program”), ~~the Claims Program s’ Recovery Trust Fund (the “Fund”)~~, ~~a fund~~ described in the Texas Manufactured Housing Standards Act (Tex. Occ. Code, Chapter 1201) and administered by the ~~Department~~Director. If the Claims Program~~Fund~~ makes a payment to a consumer, the Claims Program ~~Fund~~ will seek to recover under the surety bond. The obligation of the Program ~~Fund~~ to compensate a consumer for damages subject to reimbursement by the Claims Program ~~Fund~~ is independent of the Claims Program~~Fund~~’s right or ability to recover from the above-described surety bond, but recoveries on surety bonds are an important part of the Claims Program~~Fund~~’s ability to maintain sufficient assets to compensate consumers. There can be no assurance that the Claims Program~~Fund~~ will have sufficient assets to compensate a consumer for a covered claim. Assuming it has sufficient assets to compensate a consumer for a covered claim, the liability of the Claims Program~~Fund~~ is limited to actual damages, not to exceed \$35,000.”
- (q) – (t) (No change.)

(u) A person may exercise their right of rescission of contract for sale ~~or~~, exchange, ~~or lease purchase~~ of home pursuant to §1201.1521 of the Standards Act within three (3) business days without penalty or charge.

(v) – (w) (No change.)

§80.33. *Installers’ Responsibilities and Requirements.*

(a) - (f) (No change.)

(g) For each installation completed, the ~~contracting~~ installer must complete a Notice of Installation and submit the original, signed form with the required fee to the Department no later than seven (7) days after which the installation is completed, but not later than three (3) days for installers with a provisional license. If an installer submits multiple installation reports at one time, a single payment for the combined fees may be submitted.

(1) If a contracting installer subcontracts the installation to a licensed installer, the subcontracted installer who performs the installation shall complete the Notice of Installation, and submit the original signed form to the Department no later than seven (7) days after which the installation is completed, or not later than three (3) days for installers with a provisional license. The subcontracted installer may submit the required fee with the Notice of Installation Form.

(2) If a contracting installer subcontracts the installation to a licensed installer, and the subcontracted installer does not pay the fee, the contracting installer shall submit a copy of the Notice of Installation, labeled as such, with the required fee to the Department no later than seven (7) days after which the installation is completed, or not later than three (3) days for subcontracted installers with a provisional license.

(3) Provisional installers that provide the installation are required to send a copy of the Notice of Installation to the Department’s Field Office within three (3) days of the installation to ensure a timely inspection may be conducted.

(4) The timely submittal of the Notice of Installation after completion of the installation ensures the Department inspectors may inspect the manufactured home with utilities connected, but before the home is skirted.

(h) The completed Notice of Installation may, within the time frames specified in subsection (g) of this section be submitted with an application for Statement of Ownership ~~and Location~~ but is not a requirement to obtain a Statement of Ownership ~~and Location~~. Copies must be labeled as such. The licensed installer who is listed on a Notice of Installation is presumed to be the installer primarily responsible for the installation and the person to whom any warranty orders, notices of inspection, or other communications from the Department regarding the installation shall be directed.

(i) - (l) (No change.)

§80.34. Brokers' Responsibilities and Requirements.

(a) – (b) (No change.)

§80.35. Salesperson's Responsibilities and Requirements.

(a) – (b) (No change.)

§80.36. Retailers' Rebuilding Responsibilities and Requirements.

(a) Any home that is salvaged as defined in §1201.461 of the Standards Act, may be rebuilt/repared for purposes of issuance of a manufactured Statement of Ownership ~~and Location~~ at the option of the Department after inspection in accordance with Department procedures. Notification in writing to the Department at its Austin headquarters shall be required before rebuilding/repair begins.

(b) - (d) (No change.)

§80.37. Correction Requirements.

(No change.)

§80.38. Right to Advance Copy of Certain Documents.

(a) (No change.)

(b) Printed forms may be used to the rights as provided for in §1201.164 of the Standards Act only if:

~~(1) — The Governor of the State of Texas has declared an emergency to exist in the location where the home is to be located;~~

(1)~~(2)~~ The basic form set forth on the Department's website is used; and

(2)~~(3)~~ The Director has reviewed and approved the language used to describe the specific declared emergency.

SUBCHAPTER D. LICENSING

§80.40. Security Requirements.

(a) For purposes of meeting the security requirements of §1201.105 of the Standards Act, "other security" means a deposit in a state or federally chartered bank or savings and loan association. If other security is posted, the other security must be maintained in or by a banking institution located in this state subject to a control agreement in the promulgated form set forth on the Department's website. Such deposits are hereinafter referred to as security. If such security is reduced by a claim, the license holder shall, within twenty (20) calendar days, make up the deficit as required by §1201.109(c) of the Standards Act. No advance notice is required by the Department to the license holder, but the Department shall verify ~~of~~ the deposit.

(b) – (f) (No change.)

§80.41. License Requirements.

(a) – (b) (No change.)

(c) Education.

(1) - (3) (No change.)

(4) All related persons added to a retailer’s license are required to take the initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations and the four (4) hour retailer education course prior to being added to the retailer’s license.

(5) All related persons added to an installer’s license are required to take the initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations and the four (4) hour installer education course prior to being added to the installer’s license.

(6) All related persons added to a retailer/installer license or retailer/installer/broker license are required to take the initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations; the four (4) hour retailer education course; and the four (4) hour installer education course prior to being added to the license.

(7) All related persons added to a manufacturer’s license are required to take the initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations prior to being added to the manufacturer’s license.

(8) All related persons added to a broker’s license are required to take the initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations prior to being added to the broker’s license.

(d) Continuing Education.

(1) Continuing education program courses must total eight (8) hours and shall include:

(A) ~~Continuing~~~~A minimum of two (2) hours of continuing~~ education addressing the law and rules with a focus on any revisions to the Code or Rules within the preceding two years.

(B) ~~Continuing~~~~A minimum of one (1) hour of continuing~~ education addressing the Department's current complaint resolution process.

(C) The following additional topics may be covered:~~covered to satisfy the remaining credit hours needed not addressed in subparagraph (A) or (B) of this paragraph.~~

- (i) installation requirements;
 - (ii) manufactured home financing;
 - (iii) operation of manufactured home parks and communities;
 - (iv) insurance requirements;
 - (v) industry best practices;
 - (vi) business ethics;
 - (vii) topical market statistics or trends; or
 - (viii) other subjects determined by the Department to relate directly to the lawful operation of a business subject to the Code.

- (2) Acceptable evidence that the requirements of §1201.113(b) of the Standards Act have been satisfied by the license holder or their related person on record with the Department, would be a certificate, letter, or similar statement provided by the approved education provider indicating that the education program was timely completed. Such evidence may be submitted by fax, mail, e-mail, or in person. All related persons listed on a license are required to complete the eight (8) hours of continuing education required every two years.

- (3) – (6) (No change.)

- (e) License Application and Renewal.
 - (1) – (3) (No change.)

 - (4) Fingerprints and Criminal History Check.
 - (A) ~~License~~ ~~Prior to initial application on or after September 1, 2013 or the first renewal of a license expiring on or after September 1, 2013,~~ ~~license~~ applicants must submit a complete and legible set of fingerprints to a vendor approved by the Department of Public Safety, for the purpose of a criminal background check, which will be provided to the Department.

 - (B) (No change.)

- (f) License Application or Renewal Denial.
 - (1) In the evaluation of an applicant for a license, the Director shall consider whether the applicant or any related person involved with the applicant has previously:
 - (A) - (B) (No change.)

 - (C) caused the Manufactured Homeowner Consumer Claims Program ~~trust fund~~ to incur unreimbursed payments or claims;

 - (D) - (E) (No change.)

 - (2) - (6) (No change.)

- (g) (No change.)

SUBCHAPTER E. ENFORCEMENT

§80.70. *Enforcement.*

- (a) – (b) (No change.)

§80.71. *Rules for Hearings.*

- (a) - (i) (No change.)

§80.72. *Sanctions and Penalties.*

- (a) - (g) (No change.)

§80.73. *Procedures for Handling Consumer Complaints.*

- (a) – (h) (No change.)

- (i) If a purchaser of a manufactured home for business use has proof that they disclosed to the retailer in writing at the time of purchase that the purchaser intended for a person to be present in the home for regularly scheduled work shifts of not less than eight (8) hours prior to purchasing a manufactured home for business use they may file a complaint with the Department if the manufactured home is not habitable.
- (1) The complaint must be filed in writing to the Department within sixty (60) days of the later of the date of sale or the date of installation.
- (2) The retailer is required to make the home habitable if after a Department inspection it is determined to be inhabitable and the proper evidence was submitted demonstrating the intended business use of the manufactured home.

SUBCHAPTER F. MANUFACTURED MANUFACTURES HOMEOWNER CONSUMER CLAIMS PROGRAMS' RECOVERY TRUST FUND

§80.80. *Administration of Claims under the Manufactured Homeowner Consumer Claims Program s' ~~Recovery Trust Fund~~.*

- (a) The Director, before authorizing any party performing warranty work or providing other goods or services that are to be reimbursed from the Manufactured Homeowner Consumer Claims Program (the "Claims Program")s' ~~Recovery Trust Fund (the "Fund")~~ to proceed, will require that an estimate be submitted on the form set forth on the Department's website properly completed and executed.
- (b) Re-assigned warranty work required by the Director to be performed shall, unless extended for good cause or provided otherwise in the order, be performed within thirty (30) days or such other time as the director may by order specify:

- (1) (No change.)
 - (2) all warranty work or other work to be reimbursed from the Claims Program Fund, once completed, is subject to being re-inspected.
- (c) - (e) (No change.)
- (f) Once a payment is made from the Claims Program Fund, the Department shall file a claim under the bond of or deduct the amount paid from other security provided by the party primarily responsible for the unsatisfied claim.

SUBCHAPTER G. STATEMENTS OF OWNERSHIP ~~AND LOCATION~~

§80.90. Issuance of Statements of Ownership ~~and Location~~.

- (a) Application Requirements. In order to be deemed complete, an application for a Statement of Ownership ~~and Location~~ must include, as applicable:
 - (1) A completed and fully executed Application for Statement of Ownership ~~and Location~~ on the Department’s prescribed current form;
 - (2) (No change.)
 - (3) If the statement of ownership ~~and location~~ is to reflect the recordation of a lien, other than a tax lien, for which the Department does not have the owner’s consent, copies of documentation establishing the creation and existence of each such lien, and an affidavit of fact explaining the circumstances of the lien;
 - (4) (No change.)
 - (5) When an application for Statement of Ownership ~~and Location~~ indicates a change in ownership but no change in lien, supporting documentation that clearly establishes that the lien holder consented to that change; and
 - (6) (No change.)
- (b) Right of Survivorship: If a right of survivorship election is made, then the Department will issue a new Statement of Ownership ~~and Location~~ to the surviving person(s) upon receipt of a copy of the death certificate of the deceased person(s), and a properly executed application for Statement of Ownership ~~and Location~~, and the applicable fee.
- (c) Corrections to Statements of Ownership ~~and Location~~.
 - (1) (No change.)
 - (2) If a correction is requested because of an error made by a party other than the Department, the correction will not be made until the Department receives the following:

- (A) A complete corrected application for Statement of Ownership ~~and Location~~, or
 - (B) (No change.)
- (d) Upon issuance of a Statement of Ownership ~~and Location~~, the Department will mail one ~~certified~~ copy to the owner and one ~~certified~~ copy to the lienholder. If an additional ~~certified~~ copy is desired for a third party it should be noted on the application with appropriate mailing information.
- (e) Exchanging a Document of Title or certificate of attachment for a Statement of Ownership ~~and Location~~: The Department will issue a Statement of Ownership, with no change in status, to replace a title or certificate of attachment at no charge upon receipt of the original title or certificate of attachment and the physical location of the home. If a manufactured home title showed that it was personal property, that will be presumed to be its status until and unless a revised Statement of Ownership ~~and Location~~ is applied for and issued. Likewise, if a manufactured home has had a certificate of attachment issued and had title cancelled to real property, that shall be presumed to be its status until and unless a revised Statement of Ownership ~~and Location~~ is applied for and issued.
- (f) Updating of Statements of Ownership ~~and Location~~ on Manufactured Homes Transferred as Real Property.
- (1) When a manufactured home has become real property because the owner completed the conversion process required by the Standards Act, the home may be sold, transferred, or encumbered as real property by the customary means used for real property transactions. As long as the home remains real property at the same location, ownership of the home is confirmed in the same manner as any other real property, rather than by verifying Department records. A new Statement of Ownership ~~and Location~~ does not have to be applied for until and unless:
 - (A) the home is moved from the location specified on the statement of ownership ~~and location~~;
 - (B) - (D) (No change.)
 - (2) To convert a manufactured home from real property to personal property, the owner of the home must submit a completed Application for Statement of Ownership ~~and Location~~ to the Department with supporting documentation as follows:
 - (A) - (D) (No change.)
 - (3) To update the ownership on a manufactured home already elected and perfected as real property, and remaining in the same location as real property, the new owner of the home must submit a completed Application for Statement of Ownership ~~and Location~~ to the Department with supporting documentation as follows:

(A) - (C) (No change.)

- (4) When a home is being converted to real property, a copy stamped “filed” by the county must be submitted to the Department as evidence that the requirements of §1201.2055 of the Standards Act have been satisfied and the real property election has been perfected. This must be done within sixty (60) days from the issuance date reflected on the Statement of Ownership ~~and Location~~.
- (g) When a title company or attorney's office fails to complete the conversion of a manufactured home to real property, the holder or servicer of the loan may apply for a statement of ownership ~~and location~~ electing real property status after-the-fact, providing that evidence of notice to all parties is sent via certified mail and that proof of such efforts is provided along with an affidavit of fact describing such efforts, pursuant to §1201.2055(i)(3) of the Standards Act.
- (h) Submitting an application for Statement of Ownership ~~and Location~~ pursuant to the abandonment provision in §1201.217 of the Standards Act, should include an affidavit of fact, on the prescribed form, attesting to that all statutory notifications have been made to the appropriate parties, including the tax assessor-collector of the county where the home is located, and evidence that all notification was sent via certified mail.
- (i) A Priority Handling Service may be offered by the Department for an additional fee of \$55, each time an application for statement of ownership ~~and location (SOL)~~ is reviewed on a priority basis, whether the application is complete or incomplete. Initial or resubmitted applications submitted with priority handling requested and including the additional fee, will be processed within five working days from the date the application is recognized as received in the Department (applications received after 3:30 p.m. become part of the following day’s mail).
- (1) If the application is received complete, a Statement of Ownership ~~and Location~~ will be issued and mailed within the established time.
- (2) - (3) (No change.)

§80.91. Issuance of a Texas Seal.

- (a) Issuance of a Texas Seal requires the submittal of an application for Statement of Ownership~~SOL~~, the applicable fee and the fee for each Texas Seal issued.
- (b) (No change.)
- (c) Issuance of a Texas Seal due to a missing serial number requires an affidavit of fact attesting that no serial number(s) can be found anywhere on the home and an explanation of any known purchase history in addition to the requirements of subsection (a) of this section.

§80.92. *Inventory Finance Liens.*

(a) – (b) (No change.)

§80.93. *Recording Tax Liens on Manufactured Homes.*

(a) – (e) (No change.)

§80.94. *Report to County Tax Assessor-Collectors and County Appraisal Districts.*

(No change.)

Agenda Action Item No. 5

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		Type of Handling (Check One)	(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"/> Process application in the normal 15 working days. A payment of \$55 per transaction is required (total amount can be combined into one payment). <input type="checkbox"/> Process application within 5 working days from receipt. An additional \$55 service fee must be added to the total payment to have the application processed within 5 working days from receipt.	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: (or 911 address)	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? Yes No

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

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

Married couple 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 married couple, 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. **All manufactured housing is titled as Personal Property, unless elected as:**

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 Statement of Ownership~~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.

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 Business Use, Non-Residential, ~~(Business Use)~~ or Salvage

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

Business Use (means the use of a manufactured home in conjunction with operating a business, for a purpose other than as a permanent or temporary residential dwelling means use other than a residential dwelling, such as storage)

Purchaser intends for a person to be present in the home for regularly scheduled work shifts of not less than eight hours each day.

Non-Residential Use (means use of a manufactured home for a purpose other than as a permanent or temporary residential dwelling)

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 <u>Statement of Ownership</u> 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/transfereor	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>