



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

AUG 31 2015

MEMORANDUM FOR:

All Primary Inspection Agencies
All State Administrative Agencies

FROM:

Pamela Beck Danner, Administrator
Office of Manufactured Housing Programs

A handwritten signature in cursive script, reading "Pamela Beck Danner", written over the typed name.

SUBJECT:

Design and Quality Assurance Manual Deviation Reports

Design Approval Primary Inspection Agencies (DAPIAs) and Production Inspection Primary Inspection Agencies (IPIAs) play integral roles in the design and construction oversight process to assure that manufacturers produce quality and compliant homes in accordance with the U.S. Department of Housing and Urban Development's (HUD) Manufactured Home Construction and Safety Standards (24 CFR Part 3280) and Procedural and Enforcement Regulations (24 CFR Part 3282). As you know, DAPIAs are responsible to make sure that manufacturers' designs and quality assurance manuals comply with the Standards and Regulations. The IPIAs, in turn, are responsible to make sure that manufacturers build homes in accordance with DAPIA-approved designs and the Standards. Aside from these core responsibilities, there are related responsibilities to assure continued use of up-to-date DAPIA-approved designs and to take actions when it is found that one or more designs were approved in error. The design related issues are handled through a system of issuance, tracking and closure of design and quality assurance manual deviation reports as envisioned through the outline of expected actions described in this memorandum. Among other applicable regulatory references, refer to §§3282.361(b)(3), 3282.361(c)(2), 3282.362(a)(1)(ii), 3282.362(a)(1)(iii), and 3282.362(c).

DAPIAs

The Regulations, specifically 24 CFR §§3282.361(b)(3) and 3282.361(c)(2), require DAPIAs to issue deviation reports to notify a manufacturer that a design or aspect of its construction design package, and/or its quality assurance manual requires correction in order to produce manufactured homes that comply with the Standards and Regulations. Therefore, any aspect of a design or quality assurance manual identified or referenced in a deviation report upon the date of issuance that had previously contained a DAPIA-approval is no longer approved for use by the manufacturer in the production of its homes. Therefore, the affected designs or

manuals must be adequately revised or corrected and receive a new DAPIA approval prior to being reintroduced in the production process of homes.

Once the DAPIA becomes aware of an issue in an approved design or manual, a deviation report must be created by the DAPIA and immediately sent to the manufacturer without delay. As a deviation report is a regulatory requirement, this report is the only acceptable means by which a DAPIA can inform its manufacturer that a design or manual requires correction. The document which the DAPIA uses to serve as a deviation report must clearly indicate to the manufacturer that it is being issued to comply with DAPIA's design and manual evaluation requirements defined by the Regulations, specifically 24 CFR §§3282.361(b)(3) and 3282.361(c)(2). DAPIAs are responsible to work with the manufacturer to resolve the issues described in a deviation report in accordance with its regulatory responsibilities and before affected designs and manuals can be used again for the production of homes.

Manufacturers

Upon receipt of a deviation report, manufacturers are responsible to immediately update their sets of approved designs by removing those designs or manual pages from each of their affected production facilities. Those designs or pages can no longer be utilized in production until the manufacturer addresses and corrects all issues described in the deviation report and the DAPIA has evaluated and approved all revisions and corrections made by the manufacturer that were identified in the report. Manufacturers are responsible to make necessary changes to designs and manuals in accordance with requirements set forth in 24 CFR Part 3282, Subpart E and outline the required system to maintain copies of only current, DAPIA-approved drawings. Manufacturers must have a system in place to track and control approved designs and manuals, including their handling and removal of designs and manual pages affected by deviation reports.

The manufacturer does have the right to disagree with an issue described in a deviation report. For these instances where there is a disagreement, the manufacturer may not use designs with unresolved deviation reports but can request a Presentation of Views to HUD as outlined in §3282.206 of the Regulations. HUD, upon considering the views of each party, will determine if the manufacturer or DAPIA is correct and thereby assist in the process of resolving the issue in disagreement from the deviation report. However, none of the above would apply to circumstances when the DAPIA has requested either additional substantiation or clarifications related to an approved design or quality assurance manual from a manufacturer, but has not yet issued a design deviation report to the manufacturer.

IPIAs

IPIAs are responsible, as part of their surveillance, to ensure that any construction designs and/or quality assurance manual designs referenced in any deviation report are not available for use in the production of homes. The manufacturer's system for tracking and control of designs or manuals in each factory is to be reviewed by IPIAs as part of ongoing surveillance

and assurance that the manufacturer is capable of following and continues to follow its quality assurance manual and that any part inspected conforms to the approved designs as applicable.

All Primary Inspection Agencies are requested to forward a copy of this memorandum to your staff and manufacturer clients to ensure its direction is clear regarding responsibilities for the aspects addressed in this memorandum. If you have any questions regarding this memorandum, please contact your agency's HUD liaison of this office at (202) 708-6423.