

SALE CONSIDERATIONS

Q. When can a retailer consider the sale of a home complete?

A. The sale of a manufactured home will not be considered complete until all services are complete that were agreed upon at the time the contract was entered into. For example, when a retailer is providing the installation and the installation causes safety hazards or takes the home out of compliance, and those issues are discovered during the installation of the home, the sale or lease of the home is not complete until the home is corrected. [3282.252(b)]

Q. May I sell or lease a new home that does not conform to the federal standards if I inform the manufacturer and homeowner?

A. No. A retailer or distributor cannot sell, offer for sale, lease, or offer for lease a new home that knowingly contains a failure to conform to the standards. [3282.252(a)]

Q. What is my responsibility as a retailer if I know a new home on the lot that does not conform to the federal Standards?

A. Retailers must contact the manufacturer, provide full information concerning the problem, and request appropriate action. This action may include manufacturer repair or authorization for you to repair on a reimbursable basis. [3282.414(b)] You may not offer to sell or lease the home unit it meets the federal standards.

Q. Can I sell or lease a used home that does not contain a manufacturer's certification label (red metal tag on each floor or section of a home) or a used home that contains a failure to conform to the federal standards?

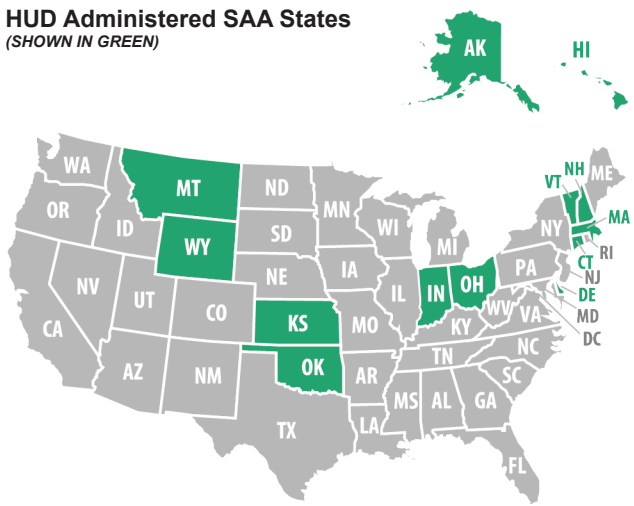
A. HUD does not prohibit the sale of used home without labels or the sale or lease of a used home that contains a failure to conform. However, state and local authorities having jurisdiction may impose terms, conditions, and requirements regarding the sale of used homes.

CONSUMER COMPLAINTS

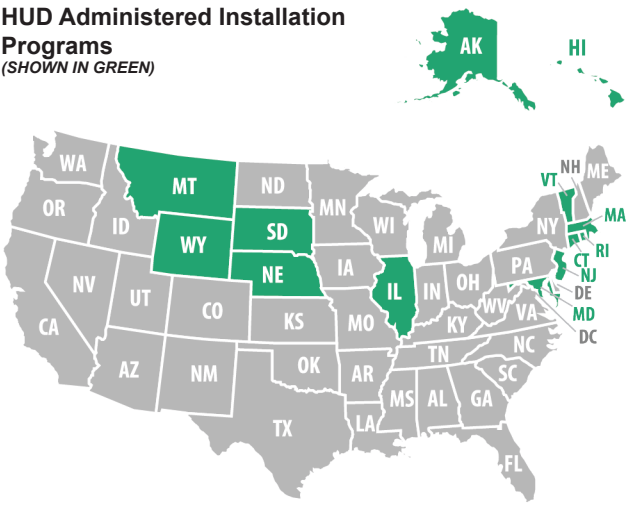
Q. Who do I contact when I forward a complaint or a request for service to the home manufacturer and the manufacturer does not adequately respond?

A. In this situation, a retailer needs to refer the matter to the State Administrative Agency (SAA) where the home is located or to HUD if there is no SAA [3282.256(a)]. A list of SAAs with contact information is available on HUD's website at www.hud.gov/mhs.

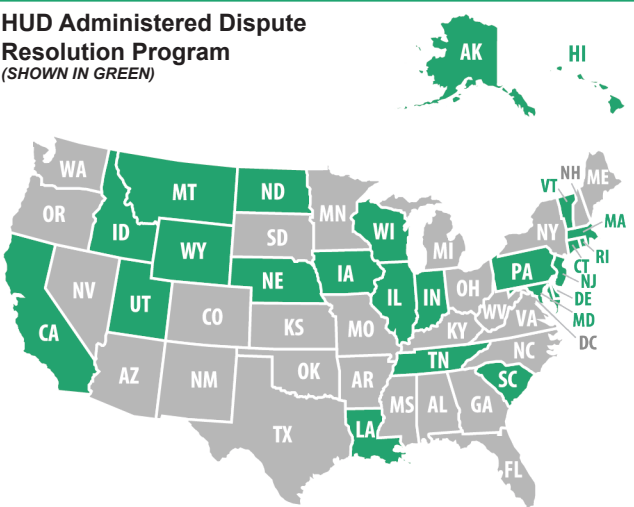
HUD Administered SAA States
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HUD Administered Installation Programs
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HUD Administered Dispute Resolution Program
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Manufactured Home Retailer Frequently Asked Questions (FAQs)

Office of Manufactured Housing Programs

www.hud.gov/mhs



GENERAL QUESTIONS

Q. How do I know what my responsibilities are under the Department of Housing and Urban Development's regulations as a manufactured home retailer or distributor?

A. Retailer and distributor are integral in the supply chain for the manufactured housing industry and have a significant and integral responsibilities within the federal and state programs. Retailers and distributors need to be familiar with the entire set of program regulations with a focus on the regulatory responsibilities outlined in Subparts F and I of the Manufactured Home Procedural and Enforcement Regulations, Subparts A and G of the Manufactured Home Installation Program Regulations, and Subparts A and B of the Dispute Resolution Program Regulations. Entities should also seek guidance for responsibilities of retailers and distributors under state law and state program requirements and understand that some states administer their own qualifying installation and/or dispute resolution programs. (See brochure back)

Q. Are there penalties for not complying with the Regulations?

A. YES. Failure to comply with the Federal Regulations may result in civil and or criminal penalties, imposed by HUD or a State-based agency. Assessed penalties are \$1,100 per violation up to a maximum of \$1,100,000 for related violations. Furthermore, any person other than an officer or employee of the United States, or a person exercising inspection functions under a State Plan, who knowingly and willfully fails to report a violation of the Federal Regulations may be fined up to \$1,100 or imprisoned for up to one year or both. [42 USC 5420, 3282.10]

REQUIRED INFORMATION AND DISCLOSURES

Q. What information am I required to provide to the manufacturer of the home regarding homes on a retailer or distributor lot or with respect to homes in the hands of consumers?

A. There are various pieces of information that must be forwarded or otherwise sent to home manufacturers. This information includes purchaser information, information regarding consumer complaints, and other information as may become known about the compliance and performance of manufactured homes on retailer lots.

Q. Are retailers responsible for providing Installation Instructions?

A. YES. Retailers are responsible for providing installation instructions to the purchaser and/or installer of the manufactured home. [3286.103]

The Regulations require the manufacturer to put the consumer manual in a conspicuous location in the home to ensure that only

the purchaser removes it. No retailer or distributor may interfere with the distribution of the consumer manual. The retailer shall take any appropriate steps to ensure the purchaser receives a consumer manual. [3282.207(d)]

Q. Do I have to leave the formaldehyde notice displayed in the home?

A. YES. The Regulations require the manufacturer to place a notice in each home informing prospective purchasers and consumers about potential for formaldehyde emissions from the products used in the construction and assembly of the home. This notice must be placed in a conspicuous location in the home to ensure that only the consumer removes it. No retailer or distributor may interfere with the availability of the consumer to view and obtain this notice. The retailer shall take any appropriate steps to ensure the purchaser receives this health notice. [3280.309(c)]

Q. Am I required to complete the homeowner information card and forward it to the manufacturer?

A. YES. Each consumer manual should contain three postage-paid homeowner information cards. The retailer is responsible to complete one of these cards at the time of sale with appropriate owner information and return it to the home manufacturer. If the homeowner card is not available, the retailer needs to obtain the information the card requires and forward the information to the home manufacturer. [3282.255]

Q. Does a retailer have to provide any specific information to a home purchaser before I sell or lease a home?

A. Before selling a manufactured home, the retailer is required to provide certain information to the purchaser or lessee. This includes, but is not limited to providing consumer notices, a copy of a consumer disclosure statement required in 3286.7(b) and advising of specific wind, thermal and roof load zone loads, and consumer notices on dispute resolution. The information that a retailer provides varies depending on how much they know about the home's final location and aspects included in the sale of a new manufacture home.

Q. What is a Consumer Disclosure Statement?

A. Prior to execution of the sales contract to purchase or agreement to lease a manufactured home, the retailer must provide the purchaser or lessee with a consumer disclosure. This disclosure must be in a document separate from the sales or lease agreement. A sample disclosure that can be used as a model, can be found at www.manufacturedhousinginstallation.com. [3286.7(b)]

RETAILER ALTERATIONS

Q. If I alter a new home or make repairs before I sell or lease it, do I have to keep any records?

A. YES. Retailers must maintain complete records of all alterations and repairs conducted under its operations or under a service contract on new manufactured homes. [3282.414(b), 3282.254(c)]

Q. May I make corrections or alterations to a new manufactured home prior to the sale of the home?

A. YES. A retailer may correct or alter a home as long as the work does not create an imminent safety hazard or take the home out of conformance with the federal standards. [3282.254]. However, in order to avoid taking the home out of conformance, a retailer needs to receive manufacturer authorization, obtain applicable instructions, perform required testing, and maintain complete records of the work (see definition of "alteration" in 3282.7. The manufacturer alone is responsible to correct all failures to conform and imminent safety hazards on all homes not yet sold, regardless of the severity of the issue.

Q. Is the retailer required to notify the consumer about the HUD Manufactured Home Dispute Resolution Program?

A. YES. Per 3288.5, at the time of signing a contract for sale or lease for a manufactured home, the retailer must provide the purchaser with a retailer notice. This notice may be in a separate document from the sales contract or may be incorporated clearly in a separate section on consumer dispute resolution information at the top of the sales contract. The notice must include the following language:

The U.S. Department of Housing and Urban Development (HUD) Manufactured Home Dispute Resolution Program is available to resolve disputes among manufacturers, retailers, or installers concerning defects in manufactured homes. Many states also have a consumer assistance or dispute resolution program. For additional information about these programs, see sections titled "Dispute Resolution Process" and "Additional Information—HUD Manufactured Home Dispute Resolution Program" in the Consumer Manual required to be provided to the purchaser. These programs are not warranty programs and do not replace the any warranty program.

New homes, located in HUD dispute resolution states, are eligible so long as the unresolved issue was reported to the home manufacturer, retailer, installer, State Administrative Agency, or HUD during the one-year period beginning on the date of installation and a complete request for dispute resolution is received by HUD. If your home has an unresolved issue that was not reported to any party within the first year beginning on the date of installation, you should contact your state's manufactured housing program or HUD to learn about other ways the issue may be resolved. Programs may vary in each state. Documentation should be kept for all contact with disputed party(ies).