

A. Section 3282.7 (j):

(1) Text with proposed modification:

"Defect means a failure to comply with an applicable Federal manufactured home safety and construction standard ~~that including any defect in the performance, construction, components or material that~~ renders the manufactured home or any part ~~or component~~ thereof not fit for the ordinary use for which it was intended, but does not result in an unreasonable risk of injury or death to occupants of the affected manufactured home."

B. Section 3282.7 (n):

(1) Text being proposed for deletion:

~~"Failure to conform means an imminent safety hazard related to the standards, a serious defect, defect, or non-compliance and is used as a substitute for all of those terms."~~

C. Section 3282.7 (v):

(1) Text with proposed modification:

"Manufactured Home Construction means all activities relating to the assembly and manufacture of a manufactured home ~~by a manufacturer certified in accordance with this Part~~, including but not limited to those relating to durability, quality and safety." Manufactured Home Construction does not include those activities regulated under the model manufactured home installation standards.

D. Section 3282.7 (dd) (NEW)

(1) Proposed New Text:

"Manufactured Home installation standards means reasonable specifications for the installation of a manufactured home, at the place of occupancy, including to ensure the proper siting, of the home, the joining of all sections of the home, and the installation of stabilization, support or anchoring systems."

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TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER XX--OFFICE OF ASSISTANT SECRETARY FOR HOUSING--FEDERAL HOUSING
1-1515-12/17/0312/16/03
COMMISSIONER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
4/3/04

PART 3282--MANUFACTURED HOME PROCEDURAL AND ENFORCEMENT REGULATIONS--
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Subpart I--Consumer Complaint Handling and Remedial Actions

Source: 42 FR 2580, Jan. 12, 1977, unless otherwise noted.

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Sec. 3282.401 Purpose and scope.

(a) The purpose of this **subpart** is to establish a system under which the protections of the Act are provided with a minimum of formality and delay, but in which the rights of all parties are protected.

(b) This **subpart** sets out the procedures to be followed by manufacturers, State Administrative Agencies, primary inspection agencies, and the Secretary to assure that manufacturers provide notification and correction with respect to their manufactured homes as required by the Act. Notification and correction may be required to be provided with respect to manufactured homes that have been sold or otherwise released by the manufacturer to another party. ~~provided with respect to manufactured homes that have been sold or otherwise released by the manufacturer to another party when the manufacturer, an SAA or the Secretary determines that an imminent safety hazard, serious defect, defect, or noncompliance may exist in those manufactured homes as set out herein.~~

(c) This **subpart** sets out the rights of dealers under section 613 of the Act, 42 U.S.C. 5412, to obtain remedies from manufacturers in certain circumstances.

Sec. 3282.402 General principles.

(a) Nothing in this **subpart** or in these regulations shall limit the rights of the purchaser under any contract or applicable law.

(b) The liability of manufactured home manufacturers to provide remedial actions under this **subpart** is limited by the principle that manufacturers are not responsible for failures that occur in manufactured homes or components solely as the result of normal year wear and aging, gross and unforeseeable consumer abuse, or unforeseeable neglect of maintenance. The life of a product warranty may be considered in this regard.

(c) The extent of a manufacturer's responsibility for providing notification or correction depends upon the seriousness of problems for which the manufacturer is responsible under this **subpart**.

(d) When manufacturers act under Sec. 3282.404 of these regulations, they will not be required to classify the problem that triggered their action as a noncompliance, defect, serious defect, or imminent safety hazard.

(e) It is the policy of these regulations that all consumer complaints or other information indicating the possible existence of an imminent safety hazard, serious defect, defect, or noncompliance should be referred to the manufacturer of the potentially affected manufactured

homes as early as possible so that the manufacturer can begin to timely respond to the consumer and take any necessary remedial actions.

Sec. 3282.403 Consumer complaint and information referral.

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~~When a consumer complaint or other information indicating the possible existence of a noncompliance, defect, serious defect, or imminent safety hazard is received by a State Administrative Agency or the Secretary, the SAA or the Secretary shall forward the complaint or other information to the manufacturer of the manufactured home in question. The SAA or the Secretary shall, when it appears from the complaint or other information that more than one manufactured home maybe involved, simultaneously send a copy of the complaint or other information to the SAA of the State where the manufactured home was manufactured or to the Secretary if there is no such SAA, and when it appears that an imminent safety hazard or serious defect may be involved, simultaneously send a copy to the Secretary.~~

Sec. 3282.404 Notification pursuant to manufacturer's determination.

(a) The manufacturer shall provide notification as set out in this **subpart** with respect to all manufactured homes produced by the manufacturer in which ~~the manufacturer in good faith determines that there exists or may exist~~the investigation determines there is a likelihood for an imminent safety hazard, ~~or serious defect, or defect introduced during or resulting from the design or construction of the manufactured home. Notification under this subpart for defects shall be required for defects reported to the manufacturer within a period of one year following the date of first sale of the manufactured home. The manufacturer shall provide such notification with respect to manufactured homes produced by the manufacturer in which a defect exists in more than one home. The manufacturer shall provide such notification with respect to manufactured homes produced by the manufacturer in which a defect exists or may exist if the manufacturer has information indicating that the defect may exist in a class of manufactured homes that is identifiable because the cause of the defect or defects actually known to the manufacturer is such that the same defect would probably have been systematically introduced into more than one manufactured~~

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~~home during the course of production. This information may include, but is not limited to, complaints that can be traced to the same cause, defects known to exist in supplies of components or parts, information related to the performance of a particular employee and information indicating a failure to follow quality control procedures with respect to a particular aspect of the manufactured home. A manufacturer is required to provide notification with respect to a noncompliance only after the issuance of a final determination under Sec. 3282.407.~~

(b) Whenever the manufacturer receives ~~from any source~~ information that may indicate ~~indicating the probable exist the existence of a defect, serious defect, or imminent safety hazard problem in a manufactured home for which the manufacturer is responsible for providing notification under paragraph (a) of this section, the~~

manufacturer shall, as soon as possible, but not later than 20 days after receipt of the information, ~~carry out any necessary investigations and inspections to determine and shall~~ determine whether the manufacturer is responsible for providing such notification. under paragraph (a) of this section. The manufacturer shall maintain complete records of all such information and determinations in a form that will allow the Secretary or an SAA readily to discern who made the determination with respect to a particular piece of information, what the determination was, and the basis for the determination. Such records shall be kept for a minimum of five years

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from the date the manufacturer received the information. ~~Consumer complaints or other information indicating the possible existence of noncompliances or defects received prior to the effective date of this section shall, for purposes of this subpart, be deemed to have been received on the date this section became effective.~~

(c) If a manufacturer determines under paragraph (b) of this section that the manufacturer is responsible for providing notification under paragraph (a) of this section, the manufacturer shall prepare a plan for notification as set out in Sec. 3282.409. Where the manufacturer is required to correct under Sec. 3282.406, the manufacturer shall include in the plan provision for correction of affected manufactured homes. The manufacturer shall, as soon as possible, but not later than 20 days after making the determination, submit the plan to one of the following, as appropriate:

(1) Where the manufactured homes covered by the plan were all manufactured in one State, to the SAA of the State of manufacture;

(2) Where the manufactured homes were manufactured in more than one State, to the Secretary; or

(3) Where there is no appropriate SAA under paragraph (c)(1) of this section, to the Secretary.

However, Where only one manufactured home is involved, the manufacturer need not submit the plan if the manufacturer corrects the manufactured home within the 20 day period. The manufacturer shall maintain, in the plant where the manufactured home was manufactured, a complete record of the correction. The record shall describe briefly the facts of the case and state what corrective actions were taken, and it shall be maintained in a separate file in a form that will allow the Secretary or an SAA to review all such corrections.

(d) Upon approval of the plan with any necessary changes, the manufacturer shall carry out the approved plan within the time limits stated in it.

(e) In any case, the manufacturer may act prior to obtaining approval of the plan. However, such action is subject to review and disapproval by the SAA of the State where the manufactured home is located, the SAA of the State where the manufactured home was manufactured, or the Secretary, except to the extent that agreement to the correction is obtained as described in this paragraph. To be assured that the corrective action will be accepted, the manufacturer may obtain the agreement of either SAA or the Secretary that the corrective action is adequate before the correction is made regardless of whether a plan has been submitted under paragraph (c) of this section. If such an agreement is obtained, the correction shall be accepted as adequate by all SAAs and the Secretary if the correction is made as agreed to and any imminent safety hazard or serious defect is eliminated.

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(f) If the manufacturer wishes to obtain a waiver of the formal plan approval and notification requirements that would result from a determination under paragraph (b) of this section, the manufacturer may

act under this paragraph. The plan approval and notification requirements shall be waived by either the SAA or the Secretary that would otherwise review the plan under paragraph (c) of this section if:

(1) The manufacturer, before the expiration of the time period determined under ~~paragaraph~~paragraph (c) of this section, shows to the

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satisfaction of the SAA or the Secretary, through such documentation as the SAA or the Secretary may require, that:

(i) The manufacturer has identified the **class of possibly** affected manufactured homes in accordance with Sec. 3282.409.

(ii) The manufacturer will correct, at the manufacturer's expense, all affected manufactured homes **in the class** within 60 days of being informed that the request for waiver has been accepted; and

(iii) The proposed repairs are adequate to remove the **failure to conform defect, serious defect** or imminent safety hazard that gave rise to the determination under paragraph (b) of this section; and

(2) The manufacturer corrects all affected manufactured homes within 60 days of being informed that the request for waiver has been accepted. The formal plan and notification requirements are waived pending final resolution of a waiver request under this paragraph (f) as of the date of such a request. If a waiver request is not accepted, the plan called for by paragraph (c) of this section shall be submitted within 5 days after the manufacturer is notified that the request was not accepted.

Sec. 3282.405 SAA responsibilities.

(a) As set out at Sec. 3282.302(b)(5), each SAA is responsible for overseeing the handling of consumer complaints by manufacturers within the state. As part of that responsibility, the SAA is required to monitor manufacturer compliance with this **subpart**, and particularly with Sec. 3282.404. This monitoring will be done primarily by periodically checking the records that manufacturers are required to keep under Sec. 3282.404(b).

(b) If the SAA acting under paragraph (a) finds that a manufacturer has failed to comply with Sec. 3282.404, or if the SAA finds that the manufacturer has decided not to act under Sec. 3282.404(c) where the SAA believes the manufacturer is required to act, or if the manufacturer failed to fulfill the requirements of Sec. 3282.404(f) after requesting a waiver under that paragraph, the SAA shall make such preliminary determinations as it deems appropriate under Sec. 3282.407(b), except that if the affected manufactured homes were manufactured in more than one state or if it appears that the appropriate preliminary determination would be an imminent safety hazard or serious defect, the SAA shall refer the matter to the Secretary.

(c) Where an SAA that is reviewing a plan under Sec. 3282.404 ~~(c) finds~~ **finds** that the manufacturer is not acting reasonably in refusing to accept changes to a proposed plan, the SAA shall make such preliminary determinations as may be appropriate under Sec. 3282.407, except that where it appears that it would be appropriate to make a preliminary determination of imminent safety hazard or serious defect, the SAA shall refer the matter to the Secretary.

Sec. 3282.406 Required manufacturer correction.

A manufacturer required to furnish notification under Sec. 3282.404 or Sec. 3282.407 shall correct, at its expense, any imminent safety hazard or serious defect **reported within five years of the date of first purchase** that can be related to an error in design or

construction_assembly of the manufactured home by the manufacturer, including an

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error in design or assembly any imminent safety hazard or serious defect in a of any component or system incorporated in the manufactured home by the manufacturer. In the event, however, that any such component or system is covered by a warranty provided by the producer of that component or system, the home manufacturer's obligation to repair as provided by this section, shall be secondary to any obligation to repair or replace pursuant to such warranty. Any manufacturer that repairs a component_or system covered by such warranty, due to failure of the producer of the component or system to honor such warranty, shall be subrogated to any rights_of the homeowner under such warranty.

Sec. 3282.407 Notification and correction pursuant to administrative determination.

(a) Preliminary determinations. (1) Whenever the Secretary has information indicating the possible probable existence of an imminent safety hazard or serious defect in a manufactured home, the

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Secretary may issue a preliminary determination to that effect to the manufacturer.

(2) Whenever the information referred to in paragraph (a)(1) of this section indicates that the manufacturer is required to correct the imminent safety hazard or serious defect under Sec. 3282.406, the Secretary may issue a preliminary determination to that effect to the manufacturer.

(3) Whenever an SAA has information indicating that a defect or noncompliance may exists in a class of manufactured homes or homes that is identifiable because the cause of the defect or noncompliance is such that the same defect or noncompliance would probably have ~~been systematically introduced into more than one manufactured home during the course of production,~~ and all such manufactured homes in the class appear to have been manufactured in that State, the SAA may issue a preliminary determination of defect or noncompliance to the manufacturer.

~~Information on which an SAA may base a conclusion that an appropriate class of manufactured homes exists may include, but is not limited to, complaints that can be traced to the same cause, defects known to exist in supplies of components or parts, information related to the performance of a particular employee, and information indicating a failure to follow quality control procedures with respect to a particular aspect of the manufactured home.~~ If, during the course of these proceedings, evidence arises that indicates that manufactured homes in the same identifiable class were manufactured in more than one state, the SAA shall refer the matter to the Secretary. The Secretary may make a preliminary determination of noncompliance or defect where there is evidence that a noncompliance or defect may exists~~exist~~.

(b) Notice and request for presentation of views and evidence.

(1) Notice of the preliminary determination shall be sent by certified mail and shall include:

(i) The factual basis for the determination and

(ii) The identifying criteria of the manufactured homes known to

be affected. and those believed to be in the class of possibly affected manufactured homes.

(2) The notice shall inform the manufacturer that the preliminary determination shall become final unless the manufacturer requests a

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hearing or presentation of views under **subpart** D of this part within 15 days of receipt of a Notice of Preliminary Determination of serious defect, defect, or noncompliance, or within 5 days of receipt of a Notice of Preliminary Determination of imminent safety hazard.

(3) Promptly upon receipt of a manufacturer's request, a Formal or an Informal Presentation of Views shall be held in accordance with Sec. 3282.152.

(4) Parties may propose in writing, at any time, offers of settlement which shall be submitted to and considered by the Secretary or the SAA that issued the Notice of Preliminary Determination. If determined to be appropriate, the party making the offer may be given an opportunity to make an oral presentation in support of such offer. If an offer of settlement is rejected, the party making the offer shall be so notified and the offer shall be deemed withdrawn and shall not constitute a part of the record in the proceeding. Final acceptance by the Secretary or an SAA of any offer to settlement shall automatically terminate any proceedings related thereto.

(c) Final determinations. (1) If the manufacturer fails to respond to the notice of preliminary determination within the time period established in paragraph (b) (2) of this section, or if the SAA or the Secretary decides that the views and evidence presented by the manufacturer or others are insufficient to rebut the preliminary determination, the SAA or the Secretary, as appropriate, shall make a final determination that an imminent safety hazard, serious defect, defect, or noncompliance exists. In the event of a final determination that an imminent safety hazard, serious defect, defect or noncompliance exists, the SAA or the Secretary shall issue an order directing the manufacturer to furnish notification. If the Secretary makes a final determination that the manufacturer is required to correct, the Secretary shall issue an order directing the manufacturer to provide correction.

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(2) Appeals. When an SAA has made a final determination that a defect or noncompliance exists, the manufacturer may, within 10 days after receipt of the notice of such final determination, appeal to the Secretary under Sec. 3282.309.

(d) Where a preliminary determination of defect or noncompliance has been issued, the manufacturer may, at any time during the proceedings called for in this section or after the issuance of a Final Determination and Order, request a waiver of the formal notification requirements. The manufacturer may request such a waiver from the SAA that is handling the proceedings, or if the Secretary is handling the proceedings, from the Secretary. When requesting such a waiver, the manufacturer shall certify and provide assurances that:

(1) The manufacturer has identified the class of possibly affected manufactured homes in accordance with Sec. 3282.409;

(2) The manufacturer will correct, at the manufacturer's expense, all affected manufactured homes in the class within a time period specified by the SAA or the Secretary but not later than 60 days after being informed of the acceptance of the request for waiver or issuance of the Final Determination, whichever is later; and

(3) The proposed repairs are adequate to remove the failure to

conform noncompliance, defect, serious defect or imminent safety hazard that gave rise to the issuance of the

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Preliminary Determination.

The SAA or the Secretary may grant the request for waiver if the manufacturer agrees under paragraph (b) (4) of this section to an offer of settlement that includes an order that embodies the assurances made by the manufacturer.

[42 FR 2580, Jan. 12, 1977, as amended at 51 FR 34468, Sept. 29, 1986; 51 FR 37568, Oct. 23, 1986]

Sec. 3282.408 Reimbursement for prior correction by owner.

A manufacturer that is required to correct under Sec. 3282.406 or that decides to correct and obtain a waiver under Sec. 3282.404(f) or Sec. 3282.407(d) shall provide reimbursement for reasonable cost of correction to any owner of an affected manufactured home who chose to make the correction before the manufacturer did so.

Sec. 3282.409 Manufacturer's plan for notification and correction.

(a) This section sets out the requirements that shall be met by manufacturers in preparing plans they are required to submit under Sec. 3282.404(c). The underlying requirement is that the plan show how the manufacturer will fulfill its responsibilities with respect to notification and correction that arise under this **subpart I**.

(b) The plan shall include a copy of the proposed notice that meets the requirements of Sec. 3282.410.

(c) The plan shall identify, by serial number and other appropriate identifying criteria, all manufactured homes with respect to which notification is to be provided. The class of manufactured home or homes with respect to which notification shall be provided and which shall be covered by the plan is that class of homes that was or is suspected of having been affected by the cause of an are those homes or home in which there exists a defect, serious defect or imminent safety hazard. ~~or failure to conform. The class is identifiable to the extent that the cause of the imminent safety hazard or failure to conform is such that it would probably have been systematically introduced into the manufactured homes in the class during the course of production. Indetermining the extent of such a class, the manufacturer may rely either upon information that positively identifies the extent of the class or upon information that indicates what manufactured homes were not affected by the same cause, thereby identifying the class by excluding those manufactured homes. Methods that may be used in determining the extent of the class of manufactured homes include, but are not limited to:~~ A manufacturer may use any of the following methods, as appropriate, to determine whether a defect exists in more than one home. The utilization of any such method by a manufacturer shall be prima facie evidence of the manufacturer's compliance with the good faith requirement of section 3282.404(a). A manufacturer may, however, utilize methods other than those set forth herein:

(1) Inspection of manufactured homes produced before and after the manufactured home or homes known to be affected;

(2) Inspection of manufacturer quality control records to determine whether quality control procedures were followed;

(3) Inspection of IPIA records to determine whether the ~~defect, serious defect or imminent safety hazard or failure to conform~~ was either

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detected or specifically found not to exist in some manufactured homes;

(4) Inspection of the design of the manufactured home in question to determine whether the ~~defect, serious defect, or imminent safety hazard or failure to conform~~

resulted from the design itself;

(5) Identification of the cause as relating to a particular employee or process that was employed for a known period of time or in producing the manufactured homes manufactured during that time;

(6) Inspection of records relating to components supplied by other parties and known to contain or suspected of containing a ~~defect, serious defect or imminent safety hazard. s or failures to conform.~~

~~The class of manufactured homes identified by these methods may include only manufactured homes actually affected by the imminent safety hazard or failure to conform if the manufacturer can identify the precise manufactured homes. If it is not possible to identify the precise manufactured homes, the class shall include manufactured homes suspected of containing the imminent safety hazard or failure to conform because the evidence shows that they may have been affected.~~

(d) The plan shall include a statement by the IPIA operating in each plant in which manufactured homes in question were produced. In this statement, the IPIA shall concur in the methods used by the manufacturer to determine the class of potentially affected which manufactured homes have been affected or state why it believes the methods to have been inappropriate, ~~inadequate, inadequate~~, or incorrect.

(e) The plan shall include a deadline for completion of all notifications and corrections.

(f) The plan shall provide for notification to be accomplished:

(1) By certified mail or other more expeditious means to the dealers or distributors of such manufacturer to whom such manufactured home was delivered. Where a serious defect or imminent safety hazard is involved, notification shall be sent by certified mail if it is mailed; and

(2) By certified mail to the first purchaser of each manufactured home in the class of manufactured homes set out in the plan under paragraph (c) of this section, and to any subsequent owner to whom any warranty provided by the manufacturer or required by Federal, State or local law on such manufactured home has been transferred, to the extent feasible, except that notification need not be sent to any person known by the manufacturer not to own the manufactured home in question if ~~the manufacturer~~ the manufacturer has a record of a subsequent owner of the manufactured home; and

(3) By certified mail to any other person who is a registered owner of each manufactured home containing the imminent safety hazard, serious defect, defect, or noncompliance and whose name has been ascertained pursuant to Sec. 3282.211.

Sec. 3282.410 Contents of notice.

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Except as otherwise agreed by the Secretary or the SAA reviewing the plan under Sec. 3282.404(c), the notification to be sent by ~~the manufacturer~~ the manufacturer shall include the

following:

(a) An opening statement: ``This notice is sent to you in accordance with the requirements of the National Manufactured Housing Construction and Safety Standards Act.''

(b) Except where the manufacturer is acting under Sec. 3282.404, the following statement, as appropriate: ``(Manufacturer's name or the Secretary, or the appropriate SAA)'' has determined that:

(1) An imminent safety hazard ~~may exist~~exists in (identifying criteria of manufactured home).

(2) A serious defect ~~may exist~~exists in (identifying criteria of manufactured home).

(3) A defect ~~may exist~~exists in (identifying criteria of manufactured home).

(4) (Identifying criteria of manufactured home) ~~may~~ does not comply with an applicable ``Federal Home Construction or Safety Standard.''

Notification by the manufacturer under this section does not constitute an admission of liability, for any such noncompliance, defect, serious defect or imminent safety hazard.

(c) A clear description of the imminent safety hazard, serious defect, defect, or noncompliance which shall include:

(1) The location of the imminent safety hazard, serious defect, defect, or noncompliance in the manufactured home;

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(2) A description of any hazards, malfunctions, deterioration or other consequences which may result from the imminent safety hazard, serious defect, defect, or noncompliance;

(3) A statement of the conditions which may cause such consequences to arise; and

(4) Precautions, if any, that the owner should take to reduce the chance that the consequences will arise before the manufactured home is repaired.

(d) An evaluation of the risk to manufactured home occupants' safety and the durability of the manufactured home reasonably related to such imminent safety hazard, serious defect, defect, or noncompliance, including:

(1) The type of injury which may occur to occupants of the manufactured home; and

(2) Whether there will be any warning that a dangerous occurrence may take place and what that warning would be, and any signs which the owner might see, hear, smell, or feel which might indicate danger or deterioration of the manufactured home as a result of the imminent safety hazard, serious defect, defect, or noncompliance.

(e) If the manufacturer will correct the manufactured home under

this

subpart or otherwise, a

statement that the manufacturer will correct the manufactured home.

(f) A statement in accordance with whichever of the following is appropriate:

(1) Where the manufacturer will correct the manufactured home at no cost to the owner, the statement shall indicate how and when the correction will be done, how long the correction will take, and any other information that may be helpful to the owner.

(2) When the manufacturer does not bear the cost of repair, the notification shall include a detailed description of all parts and materials needed to make the correction, a description of all steps to be followed in making the correction including appropriate illustrations, and an estimate of the cost of the purchaser or owner of

the correction.

(g) A statement informing the owner that the owner may submit a complaint to the Secretary if the owner believes that:

(1) The notification or the remedy described therein is inadequate; or

(2) The manufacturer has failed or is unable to remedy the problem in accordance with his notification; or

(3) The manufacturer has failed or is unable to remedy within a reasonable time after the owner's first attempt to obtain remedy.

(h) A statement that any actions taken by the manufacturer under the Act in no way limit the rights of the owner or any other person under any contract or other applicable law and that the owner may have further rights under contract or other applicable law.

Sec. 3282.411 Time for implementation.

(a) The manufacturer shall complete implementation of the plan for correction approved under Sec. 3282.404(d) on or before the deadline established in the plan as required by Sec. 3282.409(e). The deadline shall allow a reasonable amount of time to complete the plan, taking into account the seriousness of the problem, the number of manufactured homes involved, the immediacy of any risk, and the difficulty of completing the action. The seriousness and immediacy of any risk shall be given greater weight than other considerations. If a manufacturer is required to correct an imminent safety hazard or serious defect under Sec. 3282.406, the deadline shall be no later than 60 days after approval of the plan.

(b) The manufacturer shall complete the implementation of any notifications and corrections being carried out under an order of an SAA or the Secretary under Sec. 3282.407(c) on or before the deadline established in the order. In establishing each deadline, an SAA or the Secretary shall allow a reasonable time to complete all notifications and corrections, taking into account the seriousness of the imminent safety hazard, serious defect, defect or noncompliance, the number of manufactured homes involved, the location of the homes, and the extent of correction required, except that in no case shall the time allowed exceed the following limits:

(1) In the case of a Final Determination of imminent safety hazard, 30 days after the issuance of the Final Determination.

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(2) In the case of a Final Determination of serious defect, defect or noncompliance, 60 days after the issuance of the Final Determination.

(c) An SAA that approved a plan or is handling a proceeding or the Secretary may grant an extension of the deadlines included in a plan or order if the manufacturer requests such an extension in writing and shows good cause for the extension, and the SAA or the Secretary is satisfied that the extension is justified in the public interest. When the Secretary grants an extension, the Secretary shall notify ~~the manufacturer~~ the manufacturer and shall publish notice of such extension in the Federal

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Register. When an SAA grants an extension, the SAA shall notify ~~the manufacturer~~ the manufacturer, and forward to the Secretary a draft notice of the extension to be published in the Federal Register.

Sec. 3282.412 Completion of remedial actions and report.

(a) Where a manufacturer is required to provide notification
 this
 under _____ years from the date the
subpart, the manufacturer shall maintain in its files for five
 notification campaign is completed a copy of the notice sent and a
 complete list of the people and their addresses. The files referred to
 in this section shall be organized such that each notification and
 correction campaign can be readily identified and reviewed by an SAA or
 the Secretary.

(b) Where a manufacturer is required to provide correction under
 Sec. 3282.406 or where the manufacturer otherwise corrects under Sec.
 3282.404(f) or Sec. 3282.407(d), the manufacturer shall maintain in its
 files, for five years from the date the correction campaign is completed,
 one of the following, as appropriate, for each manufactured home
 involved.

(1) Where the correction is made, a certification by
~~the manufacturer~~ the manufacturer that the repair was made to satisfy
 completely the standards in effect at the time the manufactured home was
 manufactured and that any imminent safety hazard has been eliminated, or

(2) Where the owner refuses to allow the manufacturer to repair
 the home, a certification by the manufacturer that the owner has been
 informed of the problem which may exist in the manufactured home, that
 the owner has been informed of any risk to safety or durability of the
 manufactured home which may result from the problem, and that an attempt
 has been made to repair the problems only to have the owner refuse the
 repair.

(c) If any actions taken under this **subpart** are not adequate under
 the approved plan or an order of the Secretary or an SAA,
~~the manufacturer~~ the manufacturer may be required to provide additional
 notifications or corrections to satisfy the plan or order.

(d) If, in the course of making corrections under any of the
 provisions of this **subpart**, the manufacturer creates an imminent safety
 hazard or serious defect, the manufacturer shall correct the imminent
 safety hazard or serious defect under Sec. 3282.406.

(e) The manufacturer shall, within 30 days after the deadline for
 completing any notifications and, where required, corrections, under an
 approved plan or under an order of an SAA or the Secretary, or any
 corrections required to obtain a waiver under Sec. 3282.404(f) or Sec.
 3282.407(d), provide a complete report of the action taken to the SAA or
 the Secretary that approved the plan under Sec. 3282.404(d), granted the
 waiver, or issued the order under Sec. 3282.407(c), and to any other SAA
 or the Secretary that forwarded a relevant complaint or information to
 the manufacturer under Sec. 3282.403.

Sec. 3282.413 Replacement or repurchase of manufactured home from
 purchaser.

(a) Whenever an imminent safety hazard or serious defect which
 must be corrected by the manufacturer at his expense under Sec.
 3282.407 cannot be repaired within 60 days in accordance with section
 615(i) of the Act, the Secretary may require:

(1) That the manufactured home be replaced by the manufacturer with
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 a manufactured home substantially equal in size, equipment, and
 quality, and either new or in the same condition the defective
 manufactured home would have been in at the time of discovery of
 the imminent safety hazard or serious defect had the imminent
 safety hazard or serious defect not existed; or

(2) That the manufacturer take possession of the manufactured home and refund the purchase price in full, less a reasonable allowance for depreciation based on actual use if the home has been in the possession of the owner for more than one year. Such depreciation shall be based upon an appraisal system approved by the Secretary, and shall not take into account damage or deterioration resulting from the imminent safety hazard or serious defect.

(b) In determining whether to order replacement or refund by ~~the manufacturer~~ the manufacturer, the Secretary shall consider:

(1) The threat of injury or death to manufactured home occupants;
 (2) Any costs and inconvenience to manufactured home owners which will result from the lack of adequate repair within the specified period;

(3) The expense to the manufacturer;

(4) Any obligations imposed on the manufacturer under contract or other applicable law of which the Secretary has knowledge; and

(5) Any other relevant factors which may be brought to the attention of the Secretary.

(c) In those situations where, under contract or other applicable law, the owner has the right of election between replacement and refund, the manufacturer shall inform the owner of such right of election and shall inform the Secretary of the election, if any, by the owner.

(d) This section applies where an attempted correction of an imminent safety hazard or serious defect relieves the safety problem but does not bring the home in conformity to the standards.

(e) Where replacement or refund by the manufacturer is ordered under this section, it shall be carried out within 30 days of the Secretary's order to replace the manufactured home or refund the purchase price unless the Secretary, for good cause shown, grants an extension of time for implementation of such order and publishes notice of extension in the Federal Register.

Sec. 3282.414 Manufactured homes in the hands of dealers and distributors.

(a) The manufacturer is responsible for correcting any ~~failures to conform noncompliance, defect, serious defect or and~~ imminent safety hazards ~~resulting from manufactured home construction as defined in this Part which exist~~ in manufactured homes which have been sold or otherwise released to a distributor or dealer but which have not yet been sold to a purchaser. This responsibility generally does not extend to a ~~noncompliance, defect, serious defect failures to conform~~ or imminent safety hazards that result solely from transit damage that occurs after the manufactured home leaves the ~~manufacturer's production facility. control of the manufacturer, unless such transit damage is reasonably foreseeable by the manufacturer when the home is released by the manufacturer.~~ This section sets out the

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procedures to be followed by dealers and distributors for handling manufactured homes in such cases. Regardless of whether the manufacturer is responsible for repairing a manufactured home, no dealer or distributor may sell a manufactured home if it contains a ~~failure to conform noncompliance, defect, serious defect~~ or an imminent safety hazard.

(b) Whenever a dealer or distributor finds a ~~problem probable noncompliance, defect, serious defect or imminent safety hazard~~ in a manufactured home which the manufacturer ~~may be is~~ responsible for correcting under paragraph (a) of this section, the dealer or distributor shall contact the manufacturer, provide full information concerning the ~~noncompliance, defect, serious defect or imminent safety~~

hazard problem, and request appropriate action by the manufacturer in accord with paragraph (c) of this section. Where the manufacturer agrees to correct, the manufacturer shall maintain a complete record of its actions. Where the manufacturer authorizes the dealer to make the necessary corrections on a reimbursable basis, the dealer or distributor shall maintain a complete record of its actions. Agreement by ~~the manufacturer~~ the manufacturer to correct or to authorize corrections on a reimbursable basis under this paragraph constitutes a determination of the Secretary for purposes of section 613(b) of the Act with respect to judicial review of the amount which the manufacturer agrees to reimburse the dealer or distributor for corrections.

(c) Upon a final determination by the Secretary or a State Administration Agency under Sec. 3282.407, or upon a determination by a court of competent jurisdiction that a manufactured home contains a noncompliance, defect, serious defect fails to conform to the standard or contains an imminent safety hazard after such manufactured home is sold or otherwise released by a manufacturer to a distributor or a dealer and prior to the

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sale of such manufactured home by such distributor or dealer to a purchaser, the manufacturer shall have the option to either:

(1) Immediately furnish, at the manufacturer's expense, to the purchasing distributor or dealer the required conforming part or parts or equipment for installation by the distributor or dealer on or in such manufactured home, and the manufacturer shall reimburse such distributor or dealer for the reasonable value of such installation plus a reasonable reimbursement of not less than one per centum per month of the manufacturer's or distributor's selling price prorated from the date of receipt by certified mail of notice of noncompliance to the date such manufactured home is brought into compliance with the standards, so long as the distributor or dealer proceeds with reasonable diligence with the installation after the part or component is received; or

(2) Immediately repurchase, at the manufacturer's expense, such manufactured home from such distributor or dealer at the price paid by such distributor or dealer, plus all transportation charges involved and a reasonable reimbursement of not less than one per centum per month of such price paid prorated from the date of receipt by certified mail of notice of the imminent safety hazard, serious defect, defect or noncompliance to the distributor. The value of such reasonable reimbursements as specified in this paragraph shall be fixed by mutual agreement of the parties or by a court in an action brought under section 613(b) of the Act.

(d) This section shall not apply to any manufactured home purchased ~~14-1515~~ 12/17/0312/16/03 by a dealer or distributor which has been leased by such dealer or distributor to a tenant for purposes other than resale. In that instance the dealer or distributor has the remedies available to a purchaser under this **subpart**.

Sec. 3282.415 Notices, bulletins and other communications.

Each manufacturer shall, at the time of dispatch, furnish to the Secretary a true or representative copy of all notices, bulletins, and other written communications to the dealers or distributors of such manufacturer or purchasers or owners of manufactured homes of such

manufacturers regarding any serious defect or imminent safety hazard which may exist in any such manufactured homes produced by such manufacturer. Manufacturers shall keep complete records of all other communications with dealers, owners, and purchasers regarding noncompliances, and defects.

Sec. 3282.416 Supervision of notification and correction actions.

(a) The IPFA in each manufacturing plant shall be responsible for assuring that notifications are sent to all owners, purchasers, dealers, or distributors of whom the manufacturer has knowledge under Sec. 3282.211 or otherwise as required by these regulations, and the IPFA shall be responsible for assuring that the required corrections are carried out by auditing the certificates required by Sec. 3282.412.

(b) The SAA or Secretary to which the report required by Sec. 3282.412(e) is sent shall be responsible for assuring through oversight that remedial actions described in the report have been carried out as described in the report.

(c) The SAA of the state in which an affected manufactured home is located may inspect that manufactured home to determine whether any required correction is carried out to the approved plan or, if there is no plan, to the standards or other approval obtained by ~~the manufacturer~~ the manufacturer.