

Final Minutes
HUD Manufactured Housing Consensus Committee
Conference Call
April 9, 2008

1. Chairman Roberts called the meeting to order at 2:00 pm. Mr. Solomon called the roll; a quorum was present. Mr. Solomon noted that the MHCC now has a full complement of members.

Mr. Matchneer reported that Ms. Brenton has been appointed MHCC Chair by Commissioner Montgomery. Ms. Brenton noted that Commissioner Montgomery also appointed Mr. Lagano as Vice-Chair.

Mr. Matchneer reported that he, Ms. Brenton and Mr. Solomon had reviewed the agenda and agreed that Mr. Roberts should be asked to chair the call, given the complexity of the draft and his prior involvement. Mr. McHale moved that Mr. Roberts chair this call. Motion seconded and carried. Mr. Roberts asked HUD staff and the guests to introduce themselves.

Mr. Roberts noted that the main purpose of this teleconference is to review the draft *On-Site Completion of Construction of Manufactured Homes* rule. The 4-2-08 revised agenda for the call was approved. Mr. Roberts welcomed the new members.

2. Mr. Matchneer also welcomed the new members.

Mr. Matchneer reported that the Dispute Resolution rule became effective February 8, 2008. New homes now contain a notice that the Dispute Resolution Program is available to homeowners. HUD has yet to receive a request for a dispute resolution. He noted that HUD has developed a substantial list of volunteer mediators from various agencies that can be used until funding is received for the program. Mr. Lagano noted that at one time there had been mention of conducting a class for those interested in being mediators. Mr. Matchneer stated that the thinking now is that when funding is obtained, a national contract will be let with a national firm to do the mediation.

Mr. Matchneer reported that the Installation Program is currently being reviewed by OMB. It is expected back momentarily. After a quick review by HUD it should be published prior to the June meeting. He reported that the second set of Construction and Safety Standards (C&SS) and the proposed truss testing rule is in clearance at HUD. He expects the proposals to be published in the Federal Register this summer with final rules in early 2009.

Ms. Dickerson reported that she had sent Mr. Solomon an updated MHCC roster. She noted the updated roster includes date of appointment. She was asked to include term expiration date also. Mr. Lagano asked that the contact information also include cell phone numbers.

Mr. Ghorbani asked whether the process of appointing members could be shortened. Mr. Cunningham stated that the process for these most recent appointments had effectively been shortened. He foresees being able to make new appointments within 30 days or so.

Mr. Ghorbani noted that several members' terms expire at the end of the year but the bylaws require them to serve until the new members have been appointed. Mr. Matchneer stated that he expects the new appointments or re-appointments can be made prior to the expiration of the current terms. Mr. Roberts noted that seven members' terms expire at the end of the year. The terms expire for 3 producers, 2 of which are filling vacancies in unexpired terms and are eligible for appointment for a full 3 year term, Mr. Tomasbi is completing his second full 3 year term and must be replaced. Two general interest terms expire but both Ms. Downs and Mr. Luttich are eligible for re-appointment. In the consumer category, Messrs. McHale and Roberts are completing their second terms and must be replaced.

3. Regarding the May 22-24, 2007 minutes, it was noted that the table of who is in what term needs to be corrected. Mr. Lubliner stated that the reference to the "condensation" proposal in item 7 should be corrected to "duct" proposal. It was noted that Mr. McKee, not Mr. Mendlen, indicated that the proposal could be moved to the 3rd set of Construction and Safety Standards. Mr. Lubliner also noted Mr. Chris Early was in attendance for the last day of the meeting. Those corrections being noted, the minutes of the May 22-24, 2007 meeting were approved.

Regarding the minutes of the July 25, 2007 conference call, Mr. Ghorbani stated that he could not support the by-law document as presented. The minutes omitted his reason for opposing the document, which should be reflected in the final minutes. Therefore, he requested that this sentence be modified to state: "Mr. Ghorbani stated that he could not support the document as presented because it is premised, in part, upon HUD interpretations of the Manufactured Housing Improvement Act of 2000 concerning the role and authority of the MHCC which the industry contends are incorrect." It was moved, seconded and carried that Mr. Ghorbani's modification be accepted. The minutes as amended were approved.

4. Mr. Matchneer stated that the draft On-Site Completion rule is being circulated to the MHCC one more time for a quick review before being started through the OMB review process. Mr. Roberts recommended that the Committee review the August 7, 2003 "*On-Site Completion Rule Edit Objectives*" as a prelude to discussing the current draft rule. Mr. Ghorbani noted that it has been a long time since the Committee reviewed the proposal and suggested that HUD describe the changes. Mr. Cunningham agreed that it has been a long time since the document has been reviewed and that is why the Department has circulated it for one more look. He thinks it is ready to go to OMB. Mr. Matchneer indicated that some issues remain within the AC process, however, all on-site work that keeps the home in compliance with the Construction and Safety Standards will no longer require an AC letter. Mr. Lubliner concurred with Mr. Roberts recommendation to review the August 7, 2003 *Edit Objectives*.

Mr. Roberts indicated that he thought that the document provided that distinction between installation and on-site completion. Ms. Brenton agreed. He noted that close-up is installation; a hinged roof and plumbing connections are on site. There was a discussion of attachments to the house. Mr. Matchneer noted that attachments are not covered by the HUD code. If the home has been designed for an attachment then the C&SS apply to the design and manufacture in the factory. If

the preparation for the attachment is done on-site under an AC letter then it is covered by the On-Site rule. Mr. Vogt stated that it must be very clear for the local building official. Mr. Ghorbani agreed that the proposed rule is clear on which work is covered by which rule. Mr. Roberts recommended that on line 22, page 39 under 3282.603, Construction qualifying for on-site completion, "the manufacturer has authorized" be inserted after the word "when" and before "the retailer".

Mr. Vogt noted that Minnesota requires a manufactured home to have a Certificate of Occupancy same as a site-built home.

It was noted that the draft rule meets the second and fourth objectives of the *Edit Objectives*. Mr. Matchneer stated that objectives 1 and 2 were covered in the draft. Mr. Weinert noted that shipped loose parts are covered by the Installation Standard. Mr. Roberts stated, therefore, 603(a)(3) should be deleted and the rest of the paragraph should be renumbered.

Mr. Weinert stated that he does not agree with the premise of the document. States that have an inspection program will continue to inspect homes. The draft poses conflicts with California state law and contractor law. He does agree that the manufacturer's QC program can be extended to on-site. The rule might be OK for default states that do not have an installation program in place. Mr. Berger noted that this point has been raised before.

Mr. Lubliner stated that he shares Mr. Weinert's concerns. Further, he is concerned that HUD does not have the funding to provide the oversight required. Mr. Vogt questioned why the inspections have been given to private organizations when local building officials can do the job better and cheaper. Mr. Zieman stated that states may not have the resources and may not cost less. Mr. Vogt stated that where a state has a program than a state should be allowed to do it unless it declines. Mr. Matchneer suggested the question could be included in the preamble as to who does the inspection. Mr. Roberts recommended that the proposal state that states have the "right-of-first-refusal". States that declined the inspection would default to the IPIA. In default states the IPIA would do the inspection. Attention could be brought to the provision in the preamble and comments could be requested. Mr. Cunningham noted that this would be a new direction and HUD needs a chance to consider it. Mr. Weinert indicated that he needed to review the document with his Department. Mr. Vogt offered to send the draft to the Midwest SAAs.

Mr. Cunningham stated that the proposal is intended to make the AC process less *ad hoc*, and more streamlined and workable. If SAAs discuss it then the draft can be taken up again at the June meeting. Mr. Roberts recommended that the Regulatory Enforcement Subcommittee review the draft between now and the June meeting. Mr. Matchneer noted that giving the states the "right-of-first-refusal" is a big change to the proposal.

Mr. Roberts noted that the manufacturer is responsible for paying the IPIA's costs for performing the on-site inspection. He noted that the responsibility for these costs associated with monitoring are not mentioned. Mr. Matchneer noted that it is implied under 607(c)(2). A statement indicating that the manufacturer is also responsible for these costs should be added to 608.

Mr. Zieman suggested that “reasonably” be inserted before “finished” in the definition of “substantial completion”. Further, it is not necessary for the IPIA to agree to permit on-site completion if the manufacturer’s QC manual has been approved by the DAPIA.

Mr. Ghorbani expressed a concern with possible overlap with Subpart I. Mr. Lubliner reiterated his concern about the level of resources HUD will have for this program.

Mr. Lagano noted that the Regulatory Enforcement Subcommittee can work through these issues. Mr. Inks asked what direction will be given to the Subcommittee. Mr. Matchneer asked Mr. Weinert to put his concepts in writing for consideration by HUD and the Subcommittee.

Mr. Farish stated that the document will be a valuable addition to clear up some of the problems with the AC letter process.

Ms. Nelson asked how many states have something already in place. It was noted that historically the inspections were done by the IPIA or not at all. It was noted that the draft calls for a checklist for the on-site inspection be developed by the manufacturer and approved by the DAPIA. It also calls for inspection of all on-site construction. Mr. Weinert noted that there is a chronic issue with work that has been covered up. Mr. Roberts noted that the IPIA does not have the authority to stop work. Mr. Mendlen stated that the IPIA can red tag the item. Mr. Zieman noted that if a DAPIA receives a complaint from an IPIA it is looked into as soon as possible.

Regarding the direction to the Regulatory Enforcement Subcommittee, it should look at the relationship with the Installation Program; the responsibilities of the manufacturer; who has authority for what; who is to do the inspections; the states’ right-of-first-refusal; whether changes are required to 3285. Mr. Mendlen noted that proposed changes to 3285 are included at the end of the draft.

5. Mr. Cunningham noted that the draft should be an agenda item for the June meeting. He noted that the second set of C&SS and the truss test rule are essentially done. All the statutory rules have been done so the MHCC can set its priorities for future activity.
6. Mr. Solomon reported that proposed revisions to the Construction and Safety Standards have been forwarded to the Priority and Planning Subcommittee.

Mr. Lagano stated he will develop a tracking report with Ms. Cocke and Mr. Solomon. He also stated the while the Vice-Chair is not precluded from chairing a subcommittee he offered the Chair of the Priority and Planning subcommittee to another interested member. He asked Subcommittee chairs to let him know if work items need to be reassigned given the new Subcommittee structure. The Alternate Foundation Task Group was assigned to the Technical Structural and Design Subcommittee. Mr. Mendlen reported that a revised draft report on the ground anchor testing has been received from Steven Winters and is being finalized. He will try to have it released for the June meeting but he noted that the project is being managed by PD&R, not the Manufactured Housing Group. Mr. Matchneer noted that there is still a piece missing in the report.

7. Mr. Walter stated that the draft has reasonably split issues between the Installation Program and On-Site Completion. He urged that one party clearly have the responsibility for on-site completion. He also asked that the website be kept current as it is the only way for non-MHCC members to follow what is going on.
8. Mr. Solomon reported that the June 16-19, 2008 meeting will be held again at the Holiday Inn in Ballston, VA. It was noted there will be an orientation session for new members on Monday afternoon, June 16.

Conference calls will be scheduled for the Priority and Planning Subcommittee and the Regulatory Enforcement Subcommittee.

The call concluded at 4:55 pm

**HUD MANUFACTURED HOUSING CONSENSUS COMMITTEE
ATTENDANCE SHEET
TELECONFERENCE
Wednesday, April 9, 2008**

STATUS: M=MEMBER; NVM=NON VOTING MEMBER; AO= ADMINISTERING ORGANIZATION
SEC=SECRETARY

NAME	STATUS	ORGANIZATION	Attendance	
			Yes	No
Berger, Jack	M	Berger Reconstruction	X	
Braun, Karl	M	NAMH – MHOAA	X	
Brenton, Susan	M	MHCA	X	
Desfosses, Theresa	M	ME Manufactured Homes	X	
Downs, Catherine	M	US Dept. of Transportation	X	
Farish, William	M	Fleetwood Homes	X	
Ghorbani, Danny	M	MHARR	X	
Gorman, Doug	M	Home – Mart, Inc.	X	
Ink, Jeffrey	M	MHI	X	
Lagano, William J.	M	Commonwealth Consulting	X	
Lubliner, Michael	M	WAU Energy Program	X	
Luttich, Mark	M	NB SAA		X
Major, Archie R.	M	Consultant		X
Matchneer, William III	NVM/DFO	HUD	X	
McHale, Jerome L.	M	FMHO of Florida	X	
Nelson, Terry	M	MHOA OF IL	X	
Roberts, Dana	M	Oregon Manufactured Homeowners Assoc.	X	
Solomon, Robert	AO	NFPA	X	
Stamer, William	M	Champion Homes	X	
Tomasbi, Nader	M	Liberty Homes		X
Toner, Pat	AO/SEC	NFPA	X	
Vogt, Randy	M	State of MN, Dept. of Admin Building Codes	X	
Weinert, Richard	M	State of CA	X	
Zieman, Mike	M	RADCO	X	

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TELECONFERENCE
Wednesday, April 9, 2008**

GUEST ATTENDANCE SHEET

NAME	ORGANIZATION	ATTENDANCE
Kuchnicki, Dick	ICC	X
Larson, Lon	Oliver Tech Inc.	X
Lyons, Jamie	Newport Partners	X
Nebbia, Joe	Newport Partners	X
Walters, Frank	Self	X
Weiss, Mark	MHARR	X

Cocke, Liz	HUD	X
Cunningham, Gary	HUD	X
Dickerson, Rhonda	HUD	X
Ferrante, Vic	HUD	X
Garrison, Veronica	HUD	X
Joyce, Evelyn	HUD	X
Matobi, Towabi	HUD	X
McKee, Sean	HUD	X
Mendlen, Rick	HUD	X
Pethel, Lane	HUD	X
Race, Peter	HUD	X