

Final minutes
HUD Manufactured Housing Consensus Committee
Conference Call
July 9, 2009

1. Chairwoman Brenton called the meeting to order at 11:05 a.m. Mr. Solomon called the roll. A question was raised about the status of Mr. Farish, given his change in employer. Mr. Matchneer stated that because Mr. Farish's new employer is also a manufacturer his status is unchanged. Mr. Farish indicated that his new employer supported his continued participation. A quorum was present. Mr. Matchneer introduced HUD staff on the call. Mr. Solomon asked guests to introduce themselves. There was a request for a new contact list.

Ms. Brenton indicated that public testimony would be moved to the end of the agenda to allow adequate time for testimony.

Mr. Walter asked whether it is possible for members to receive a hard copy of lengthy documents. Mr. Gorman added that it would be helpful for those who use their personal printer. Mr. Solomon noted that the major Standard Developing Organizations have moved away from providing hard copies. HUD should consider whether hard copies should be provided. Mr. Lubliner suggested that perhaps it could be done if only a few needed a hard copy. Ms. Brenton recommended that those needing hard copies in the future contact the AO office.

2. To begin the discussion of the Primary Inspection Agency draft proposed rule, Mr. Lagano asked whether it would be worth discussing alternatives to get to the same point. Ms. Brenton asked Mr. Lagano to hold the question. She called on Mr. Gorman to present the report of the Regulatory Enforcement Subcommittee.

Mr. Gorman reported that the Subcommittee had one conference call. The Subcommittee considered forwarding the Primary Inspection Agency (PIA) draft proposed rule to the full Committee to review. It was decided that the Subcommittee should identify the policy issues contained in the draft proposal. Mr. Matchneer noted that there were both policy issues and quality issues in the proposal. The Subcommittee noted that the proposal was lacking justification and cost information. Mr. Lagano asked why the proposal is being made. Mr. Ghorbani noted that HUD does not have the funding to do inspections internally therefore it uses PIAs. He noted that last year HUD raised the question of improving the PIA process. Now HUD has come forward with a proposal.

Mr. Lagano asked whether HUD had the resources to implement the changes. He also asked what the cost to the consumer would be. Mr. Lubliner asked whether the impact on the consumer would be thousands of dollars or have little impact. He also noted that industry should be able to estimate the costs. He also noted the paperwork burden. Mr. Ghorbani noted that the industry is hurting and that the proposal is overkill and not necessary. Mr. Lagano suggested that the Committee be polled to determine whether it wants to comment on the draft or send it back to HUD with a cover letter indicating that without cost and justification information the Committee can not comment.

Mr. Matchneer indicated that HUD has followed the usual procedure of providing the Committee with a draft document for a 120 day review and comment. He noted that it would be unfortunate for the Committee not to provide comments. He noted that many useful comments were

provided during the Regulatory Subcommittee conference call, further discussion by the MHCC would be beneficial. Mr. Ghorbani noted that HUD has done its job in providing the Committee with the draft with a document for a 120 day review but it has not provided cost information. Section 604(e)(4) requires consideration of the probable effect on the cost of a manufactured home.

Mr. Matchneer noted that if the MHCC does not comment the document to be sent to the Secretary will be incomplete. The MHCC has an obligation to consider such action carefully. An incomplete proposal could adversely affect the regulated parties. He encouraged the MHCC to read the law carefully.

Ms. Nelson noted that the process has been in use for many years, the cost justification for the changes is necessary to make an informed decision. It is difficult to make one when industry states one cost and HUD another. Mr. Braun stated that cost must be addressed. Mr. Gorman raised the question as to how many defective homes have been sold in the last several years, noting that good, low cost homes have been sold to consumers. He also noted that less than fifty thousand homes have been built this year. Mr. Lagano asked whether the proposal addresses a systemic problem. Manufactured homes should not be priced out of the market. Mr. Berger noted that the MHCC has developed a form for proposals that requires a justification statement. He also stated that the PIAs submit reports to HUD so data on defective homes could be developed.

Mr. Weinert stated that CA has recall statistics for 2003 – 2008. There is wide variation. He noted that the data does not include recalls of defective parts from a supplier. Almost 2% of homes produced in 2003 were in recall. He noted that the program has not been enforced correctly. As an Administrator he needs the ability to take administrative action before a problem gets worse.

Mr. Ghorbani stated that HUD must come forth with the data. Mr. Weinert noted that it should be included in the rulemaking package. Mr. Lagano stated that the cost and justification should be included at the beginning of the process not at the back end. Mr. Solomon asked whether Section 604(e)(4) pertained to just standards or included regulations and interpretations. Mr. Matchneer indicated just standards. Mr. Walter stated that it included all. Mr. Lagano noted that a ball park cost estimate would suffice. Mr. Farish noted that some costs can be estimated easily, others not. There are a lot of indirect costs, including possible increases in DAPIA and IPIA fees and possible increases in label fees.

Ms. Brenton asked whether the policy issues should be discussed now or just comment that without cost and justification the MHCC can not consider the proposal. Mr. Walter moved that consideration of the proposal be tabled until justification is received. Mr. Lagano seconded. Mr. Berger expressed a concern that the clock is ticking. Mr. Ghorbani stated that the MHCC should protect its authority and functionality. He recommended that the Regulatory Subcommittee present its report and that decisions be held until the MHCC meeting later this month. Ms. Nelson and Mr. Gorman concurred. Mr. Gorman moved to call the question. Mr. Braun seconded. Motion passed unanimously. Mr. Walter withdrew his motion, Mr. Lagano accepted.

Mr. Slifka noted that there had been an opportunity last year to address monitoring and quality. At the time the Subcommittee declined to discuss the issue, stating that such an issue should be initiated by a proposal from HUD. He also noted that there is a lot of information collected by the monitoring agent that is not forwarded to HUD. If HUD and the third parties determined who

had what information, then the information would be available to HUD to develop a proposal. Mr. Ghorbani expressed a concern about the effect on manufacturers.

Ms. Brenton asked Mr. Roberts to review the policy issues contained in the draft proposed Procedural and Enforcement Regulations the Regulatory Subcommittee identified on its conference call. She asked the Committee to consider whether the issues were “policy” issues and should be discussed at the MHCC meeting. Mr. Roberts initiated a review of the policy issues identified by the Subcommittee. After several were reviewed Mr. Weinert moved that the entire list be accepted as policy issues to be discussed at the July meeting, Mr. Lubliner seconded. Motion carried unanimously.

3. Ms. Brenton called for public testimony. There was none.

Mr. Solomon asked members to inform Ms. Pereira of their hotel requirements.

A motion to adjourn the call was seconded and carried. Call concluded at 12:55 p.m.

HUD MANUFACTURED HOUSING CONSENSUS COMMITTEE
ATTENDANCE SHEET
CONFERENCE CALL
Thursday, July 9, 2009

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
Farish, William	M	Fleetwood Homes	X	
Ghorbani, Danny	M	MHARR	X	
Gorman, Doug	M	Home-Mart, Inc.	X	
Jewell, Kevin	M	TX Low-Income Housing Info Service		X
Lubliner, Michael	M	WAU Energy Program	X	
Luttich, Mark	M	NB SAA	X	
Matchneer, William	NVM	HUD	X	
Nelson, Terry	M	MHOA OF IL	X	
Sheahan, Timothy	M	GSMOL/V.P. MHOAA	X	
Solomon, Robert	AO	NFPA	X	
Stamer, William	M	Champion Homes	X	
Toner, Pat	AO/SEC	NFPA	X	
Vogt, Randy	M	Minnesota Dept. of Labor & Industry	X	
Wade, Michael	M	Cavalier Home Builders, Inc.		X
Walter, Frank	M	Consultant	X	
Weinert, Richard	M	State of CA	X	
Zieman, Michael	M	RADCO	X	

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GUEST ATTENDANCE SHEET

NAME	ORGANIZATION	ATTENDANCE
Brolin, John	HUD	X
Brown, Dan	HUD	X
Carpio, Daniel	HUD	X
Everett, James	HUD	X
Hunt, Giles	HUD	X
Kritikos, Effi	HUD	X
Mendlen, Rick	HUD	X
Pastiglione, Amanda	HUD	X
Podzius, Casey	HUD	X
Race, Peter	HUD	X
Wallace, Angelo	HUD	X
Nebbia, Joe	Newport Partners	X
Nolan, Rick	HWC Engineer	X
Gustafson, John		X
Dents, Jordan	SBRA	X
Roberts, Dana	Retired	X
Slifka, Mike	PFS	X
Reinhart, Dick	PFS	X
Husom, Jim	PFS	X
Weiss, Mark	MHARR	X