




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

OFFICE OF HOUSING

June 23, 2008

MEMORANDUM FOR: **Manufactured Housing Consensus Committee**

FROM: 
William W. Matchmeer III, Associate Deputy Assistant Secretary
for Regulatory Affairs and Manufactured Housing

SUBJECT: **Using the QSI Guidelines Developed by COSAA to enforce
HUD's Quality Control Regulations**

During the 1990s, the Council of State Administrative Agencies (COSAA) developed a guidebook for auditing quality assurance systems in manufactured housing plants. In 2000, COSAA delivered the completed guidebook to the Department which, in turn, asked its monitoring contractor, IBTS, to use the guidebook when auditing IPIA performance in the plants. Since that time, this guidebook has been in general use throughout the industry, and IBTS made copies available to the members at last week's meeting.

Titled the "Investigation and Reporting of Quality System Issues (QSI)" this guidebook carefully cross references the Manufactured Home Procedural and Enforcement Regulations. Section 3282.203(c) of HUD's regulations lays out the elements that HUD requires for DAPIA approval of quality assurance manuals. It tracks the quality control elements recognized by such groups as the International Organization for Standardization (ISO) and the American Society for Quality. Section 3282.203(d) then requires manufacturers to furnish supplementary information to the DAPIA if the quality assurance manual is not complete or if any information is not in accordance with accepted engineering practice.

Following a serious incident in late 2006, the program office took several steps to improve consumer safety. One step was requiring a new certification of the plant where the home was built. This certification was performed under the close supervision of HUD and IBTS, with a strong emphasis on quality control. Section 3282.362(b)(1) of the regulations sets forth the process by which an IPIA performs the initial evaluation of the quality control in a plant to determine whether the manufacturer is capable of producing homes in conformance with the approved design and the standards. The process also determines whether the manufacturer's quality control procedures will assure that such conformance continues. HUD and IBTS have been using the QSI guidebook as an aid when reviewing new plant certification reports from the IPIAs to determine whether all required elements of quality operations are in place and functioning. IBTS also uses the QSI guidebook as an aid when conducting routine audits of IPIA performance in the plants.

As you know, the Department has adopted a broad emphasis on quality control. We believe this will result in fewer defects, which means lower service costs for the industry, and more confidence in the safety and durability of HUD-labeled homes by consumers, lenders, zoning officials, and insurance companies.