

VIRGINIA MANUFACTURED HOUSING BOARD
MEETING
November 20, 2008
RICHMOND, VIRGINIA

Board Members Present : Ava Lewis, Vice Chairman
James W. Roncaglione
Walter K. Hughes, Sr.
William B. Toombs
Eric Anderson
Gina M. Burgin

Board Members Absent : Michael C. Nickell, Chairman
William H. Moody
Ben Flores
Lorenzo E. Dyer, Secretary to the Board

Public Representation	:	Thomas W. Nesbitt, Assist. Atty. Gen.	<u>Staff</u>
		Emory Rodgers, Deputy Directory	Clinton Wallace
		Eric Olsen, Director, DPOR	Larry Brock
		Jill Richardson, DPOR	Debra Winston-Bowles
		Adrea Bales, DPOR	
		Mary Brown	
		Joseph Brown	
		Patricia-Braxton Kelley	
		Dinia Pizzino	
		Sandi Morris	

A. Call to Order/Roll Call/Determination of a Quorum.

The Virginia Manufactured Housing Board meeting was held in Richmond, Virginia, Thursday, November 20, 2008. Vice-Chairman Lewis called the meeting to order at 10:07 a.m. Lorenzo E. Dyer, Secretary to the Board performed the Roll Call and a Quorum was present.

The Vice-Chairman asked if there were any additions or changes to the Agenda.

a. A request was made to move Agenda Item E-4, HUD's Manufactured Home Installation Program, to be part of the discussion of Agenda Item D-1, Committee Reports.

b. James Roncaglione made a motion to move Agenda Item G-1, Mary and Joseph Brown v Clayton Manufactured Homes to be heard immediately after Agenda Item C the Public Comment. Walter K. Hughes, Sr. seconded the motion. Vice Chairman Lewis called the question and the motion carried by a unanimous vote.

B. Approval of the Minutes.

A motion was made by Eric Anderson and seconded by William B. Toombs to accept the Minutes from the Board's meeting of September 11, 2008. The Minutes were accepted as written by a unanimous vote.

C. Public Comment.

1. Dinia Pizzino made comments to the Board during the public comment period.

Basically, consumers are not satisfied when coming before the board as a group. As a group, consumers are dissatisfied because it seems like the Manufactured Board rules in the favor of the manufacturer; the consumer is put on the back burner.

2. Mary Brown made comments to the Board during the public comment period.
3. Patricia-Braxton Kelley spoke to the Board during the Public Comment Period.
4. Joseph Brown (Joe) submitted an opinion to the Board. There were hidden defects in my home that needs to be looked at.

D. Committee Reports (Educational Program Committee).

1. HUD's Manufactured Home Installation Program.

Staff is in the process of developing a curriculum for the HUD Manufactured Home Installation Program that has been mandated and is being provided for installers, contractors, retailers, manufacturers, building officials, inspectors, and consumers. The Administrative curriculum will cover the following areas: Overview of United State Code (USC), General Regulatory Structure of the HUD Manufactured Housing Program, Manufactured Home Procedural and Enforcement Regulations, Licensing Requirements for the Board for Contractor/Transaction Recovery Fund, and the Manufactured Housing Licensing Transaction Recovery Fund, Virginia Manufactured Homes Safety Regulations, Manufactured Home Dispute Resolution Program, Penalties for person's failure to comply with requirements, Problem reporting mechanisms, and the Virginia Construction Code, Part I of the Virginia Uniform Statewide Building Code.

The Technical curriculum will cover the following areas: The Manufactured Home Construction and Safety Standards, Manufactured Home Installation Standards, Manufactured Home Installation Program with specific instructions.

The Department of Professional and Occupational Regulation has a number of programs that licenses contractors such as Asbestos, Remediators, Alarms, and Security Alarm People. The act of installing a manufactured home actually comes under the legal definition of what a contractor does. The new HUD guidelines required that the installers have a separate amount of training which need to be completed by June 2009.

The Code Academy Training Program is also approved by DPOR. January 1, 2008 is the deadline HUD has set for the implementation of the Manufactured Home Installation Program. Further discussion and additional information on the Manufactured Home Installation Program will be presented to the Board at a later date.

E. Report of the Secretary/Associated Director/Deputy Director Reports.

1. Licenses and Recovery Funds Report.

Currently licensed are 3 brokers, 238 dealers, 42 manufacturers and 699 salespersons.
The cash balance in the Transaction Recovery Fund Account is \$1,003,153.70 as of September 1, 2008.

2. Fire Sprinklers for Manufactured Home/Deputy Director.

In September 2008 at the ICC Code Hearings, sprinklers were mandated for all one/two family dwellings which included manufactured housing. HUD indicated that if sprinklers are required by Virginia Code in one/two family dwellings, sprinklers can be required in manufactured housing as well. Additional information will be provided to the Board at a later date concerning fire sprinklers.

3. Update of proposed changes to the Manufactured Housing Licensing and Transaction Recovery Fund Regulations.

The NOIRA approved in October, 2008. The Proposed Regulations are being reviewed and prepared to post in Town Hall. In the proposed Regulations, fees were raised for the licenses of dealers, manufacturers, salespersons, brokers, and the cost of fees paid to DMV. Staff met with the Virginia Manufactured/Modular Association (VMMHA). It was recommended that proposed legislation be presented to the General Assembly to allow funds be used from the Transaction Recovery Fund as approved by the Board; a maximum of 5% per year. It was also proposed that legislation be presented that raises the maximum amount a claimant could receive from the fund from \$20,000.00 to \$40,000.00 for violations against a regulant. Staff met with the VMMHA Board and discussed the proposal for VMMHA to present legislation to the General Assembly that increases the minimum amount of depletion of the Fund from \$250,000.00 to \$500,000.00. Currently, the regulations require the Transaction Recovery Fund be assessed when the fund is at or below \$250,000.

Budgets. Another budget reduction may take place after the Governor's December 17th message; and, it's not clear what the General Assembly plans to execute. The Manufactured Housing Program has never paid for itself because HUD maintained the status quo on what it reimburses. Staff will respond to the Public Comments that were made at a later date.

F. Old Business.

1. Licensing Application Updated/Review.

The Board requested copies of licensing applications for the Manufacturer, Dealer, Broker, and Salesperson to be updated and reviewed by the Board on November 20th meeting. Part of the renewing process includes a draft called "Statement of Compliance for Renewal of Dealers/Brokers License". For public clarification Agenda Item D states "Have you or anyone acting in authority of your license as a dealer/broker under these Licensing Regulations failed to account for money or other valuables belonging to others for more than ninety (90) days, which have come into the regulants possession due to the sale of a manufactured home?"

Walter Hughes made a motion that the Board accepts the draft to be adopted as part of the application for renewal. The motion was seconded by Gina M. Burgin. Vice Chairman Lewis called the question and the motion carried by a unanimous vote.

2. Review Dealer Related Licensing Questions.

Definition of a retail lot was presented to the Board. In order to obtain a dealer's license to sell manufactured homes as stated in the Regulations, a dealer must have a business office, a permanent business sign which include the telephone number, and will or have engaged in the business of selling three or more homes. Staff will take into consideration to review the wording of the Proposed Regulations concerning the definition of a dealer and report back to the Board at a later date.

3. Update Regarding Case/Final Order.

a. Jackie Pate v Housing Solutions.

Housing Solution, Inc. paid the full amount awarded by the Board of \$980.81 to Jackie Pate. DMV will not accept the Duplicate of Origin as issued by the manufacturer unless the document meets one of the following: "The Duplicate Certificate of Origin is issued in the name of the homeowner" or "The Duplicate Certificate of Origin must be signed by the regulant representing agent of Housing Solutions, Inc. Information concerning this matter is forthcoming and has not been resolved.

b. Vickie Barker v Housing Solutions, Inc.

Housing Solution, Inc. paid in full the amount awarded by the Board of \$758.10 to Vickie Barker. DMV will not accept the Duplicate of Origin as issued by the manufacturer unless the document meets one of the following: "The Duplicate Certificate of Origin is issued in the name of the homeowner" or "The Duplicate Certificate of Origin must be signed by the regulant representing agent of Housing Solutions, Inc. Information concerning this matter is forthcoming and has not been resolved.

c. Review of Sales Agreement of Fleetwood Homes and Housing Solutions, Inc.

Questions emerged as to how Housing Solutions conducts the selling of manufactured homes. Housing Solutions submitted a change of address to our office. In the past, when a dealer submitted a change of address, no photo of their office or a photo of a sign was requested. The procedures for a change of address to our department will be changed to include a photo of the dealer's address and a photo of a sign due to the above circumstances with Housing Solutions.

A suggestion to the resolution to the issues of Jackie Pate and Vickie Barker was to contact Jim Weflen, the manager of Housing Solutions, Inc. and have him sign the documents in order to receive the titles for the homes.

1. Manufactured/Dealer Sales Agreement.

The board directed staff to present a letter to the manufacturer and dealer requesting if any changes has been made to their Sales Agreement. Specify to the manufacturer and dealer that the Sales Agreement must include signatures of all parties involved.

G. New Business.

1. Mary and Joseph Brown v Clayton Manufactured Homes.

A new complaint was identified by the State Building Code Administrative Office. A section of the roof at the ridge of the home found the truss installed on the home had bracing that was improperly supported.

A motion was made by Eric Anderson directing staff to conduct an Informal Fact-finding Conference to obtain estimates from three or more sources to be discussed at the next Board meeting. The motion was seconded by James W. Roncaglione. Vice-Chairman Lewis called the question and the motion carried by a unanimous vote.

2. Keith and Rosalyn Whitaker v Colonial Home Center.

During the process of negotiations of the purchase of a manufactured home, Colonial Homes Center received \$500.00 from the Whitakers to cover the cost for an Appraisal on September 3, 2008. The Whitakers changed their minds about the purchase of the home from Colonial Homes Center on September 5, 2008 and requested reimbursement of the \$500.00 for the appraisal but was refused by Colonial Homes Center. The Board requested staff to contact the Mortgage Company and find out if the Mortgage Company did indeed tell the appraiser not to do the appraisal. Walter K. Hughes made a motion to have staff conduct a Fact-finding Conference to gather additional information. The motion was seconded by Eric Anderson. Vice-Chairman Lewis called the question and the motion carried by a unanimous vote.

3. David and Sarah Burleson v Fleetwood Homes of Virginia.

The Burleson complaint stated that the rear half of the double-wide home was damaged in transit and the front half was damaged during the period of set-up operations. Eric Anderson made a motion for staff to conduct a Fact-finding Conference to obtain additional information to be presented at the next Board meeting. William Toombs seconded the motion. Vice-Chairman Lewis called the question and the motion carried by a unanimous vote.

4. Conflict of Interest Training-Office of Attorney General.

A video was provided to the Board on Conflict of Interest.

H. Future Meeting Date and Location.

The next meeting date and location of the Virginia Manufactured Housing Board is scheduled for Thursday, January 15, 2009 at 10:00 a.m. 501 N. Second Street, Richmond, Virginia, 23219.

I. Adjournment.

The Virginia Manufactured Housing Board Meeting adjourned at 2:55 p.m. on a motion made by Gina M. Burgin and seconded by Walter K. Hughes. The motion carried by a unanimous vote.