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## Final Regulation Agency Background Document

<b>Agency name</b>	Virginia Manufactured Housing Board
<b>Virginia Administrative Code (VAC) citation(s)</b>	13 VAC 6- 20
<b>Regulation title(s)</b>	Virginia Manufactured Housing Licensing and Transaction Recovery Fund Regulations
<b>Action title</b>	Updating and clarifying the Virginia Manufactured Housing Licensing and Transaction Recovery Fund Regulations
<b>Date this document prepared</b>	12/18/2018

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1 VAC7-10), and the *Virginia Register Form, Style, and Procedure Manual for Publication of Virginia Regulations*.

### Brief Summary

*Please provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.*

The subject matter is the Manufactured Housing Licensing and Transaction Recovery Fund Regulations (Regulations), a regulation administered by the Department of Housing and Community Development's State Building Codes Office, which serves as the administrator for the manufactured home program. Manufactured homes are constructed in a factory for subsequent installation on property in Virginia's cities, counties and towns. The intent and goal of this action is to update and clarify this Regulation. The Board proposes under this regulatory action to review issues related to licensing requirements for the manufactured housing industry members that will provide better protection to consumers without imposing unnecessary regulatory burdens on the licensees. The amended Regulations will better define the parameters for warranties on the homes, and what disclosures must be given to buyers.

### Acronyms and Definitions

*Please define all acronyms used in the Agency Background Document. Also, please define any technical terms that are used in the document that are not also defined in the “Definition” section of the regulations.*

“HUD” means the United States Department of Housing and Urban Development  
“MVDB” means the Virginia Motor Vehicle Dealer Board

### Statement of Final Agency Action

*Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.*

The Virginia Manufactured Housing Board adopted final regulations for the Virginia Manufactured Housing Licensing and Transaction Recovery Fund Regulations on December 13, 2018.

### Mandate and Impetus

*Please list all changes to the information reported on the Agency Background Document submitted for the previous stage regarding the mandate for this regulatory change, and any other impetus that specifically prompted its initiation. If there are no changes to previously-reported information, include a specific statement to that effect.*

The proposed changes are the result of Board discussions regarding necessary changes to the Regulation. This information was not reported during the proposed stage as it was not a part of the previous agency background document.

### Legal Basis

*Please identify (1) the agency or other promulgating entity, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia or Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency or promulgating entity’s overall regulatory authority.*

The legal authority for amendments to the Regulation is found in Section 36-85.18 of the Code of Virginia. Section 36-85.18 directs the Board to promulgate regulations for the licensing of manufactured home manufacturers, dealers, brokers and salespersons; the establishment and administration of a recovery fund; the resolution of complaints; making case decisions in accordance with the Administrative Process Act; and the levying and collection of fees sufficient to cover the expenses for the administration of this program by the Board and Department. The agency is the Manufactured Housing Board (Board).

## Purpose

*Please explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it's intended to solve.*

Administration and enforcement of the Regulations by the Virginia Manufactured Housing Board (Board) and the Department has resulted in the recognition of sections in need of clarity and of out date and unnecessary restrictions in sections that need to be deleted. The Board proposes under this regulatory action to review issues related to licensing requirements for the manufactured housing industry members that will provide better protection to consumers without imposing unnecessary regulatory burdens on the licensees. The amended Regulations will better define the parameters for warranties on homes and when and what disclosures must be given to buyers.

## Substance

*Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.*

Add a definition for "Date of Delivery" to better clarify the warranty period for a manufactured home. This definition was taken from the body of the existing Regulations and added to the definition section for easy reference. Eliminate unnecessary biographical information of individuals applying for Dealer, Sales Person and Broker licenses such as weight, height, eye color and sex. Update the designation of a referenced agency. Delete the title of "Virginia Department of Motor Vehicles" and replace it with "Virginia Motor Vehicle Dealer Board". Replace the non-defined term "Noncompliance" with the defined term "Defect". Eliminate the requirement for a dealer to inspect "furniture" supplied with a home. Add to the list of prohibited conduct by regulants. Add specific items to be included on a sales contract which are vague in the current Regulations; this includes the total cost of the contract; specify if the home is new or used; specify the nominal house size. Provide a statement to the consumer that the dealer may retain damages. Provide a statement to consumers notifying them of the dispute resolution program.

## Issues

*Please identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.*

The proposed revisions to these Regulations provide enhanced consumer protection by adding three additional items to the list of prohibited conduct by regulants. The revisions add specific items to be included on a sales contract, which lack clarity in the current Regulations. These items include the total cost of the contract; specify if the home is new or used; and specify the nominal house size. The revisions assist in protecting consumers by requiring manufacturers to provide statements to the consumer indicating that the dealer may retain damages and notifying them of the dispute resolution program.

### Requirements More Restrictive than Federal

*Please list all changes to the information reported on the Agency Background Document submitted for the previous stage regarding any requirement of the regulatory change which is more restrictive than applicable federal requirements. If there are no changes to previously-reported information, include a specific statement to that effect.*

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The proposed revisions to the Regulations are not applicable to federal requirements, which do not regulate contract issues involving the sale of manufactured homes in states that act as State Administrative Agencies on behalf of HUD.

### Agencies, Localities, and Other Entities Particularly Affected

*Please list all changes to the information reported on the Agency Background Document submitted for the previous stage regarding any other state agencies, localities, or other entities that are particularly affected by the regulatory change. If there are no changes to previously-reported information, include a specific statement to that effect.*

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Other State Agencies Particularly Affected:

The changes do not affect any other agencies.

Localities Particularly Affected:

This is a statewide uniform regulation that does not adversely affect specific localities.

Other Entities Particularly Affected:

The changes do not affect any other entities.

### Public Comment

*Please summarize all comments received during the public comment period following the publication of the previous stage, and provide the agency response. Ensure to include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency or board. If no comment was received, enter a specific statement to that effect.*

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No public comment has been received.

### Detail of Changes Made Since the Previous Stage

*Please list all changes made to the text since the previous stage was published in the Virginia Register of Regulations and the rationale for the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. \*Please put an asterisk next to any substantive changes.*

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No changes made.

**Detail of All Changes Proposed in this Regulatory Action**

*Please list all changes proposed in this action and the rationale for the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. \* Please put an asterisk next to any substantive changes.*

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change, intent, rationale, and likely impact of proposed requirements
13VAC6-20-10		None.	Add definition of "Date of delivery". This definition clarifies the warranty period for a manufactured home. This definition was taken from the body of the existing Regulations and added to the definition section for easy reference.
13VAC6-20-30		Biographical information of applicant required.	Eliminate unnecessary biographical information of individuals applying for a Manufacturers license, i.e. weight and height.
13VAC6-20-50(E)		Agency name change.	Update the current designation of "Virginia Motor Vehicle Dealer Board" from the old designation "Virginia Department of Motor Vehicles."
13VAC-6-20-60		Biographical information of applicant required.	Eliminate unnecessary biographical information of individuals applying for a Dealer's license, i.e. weight and height.
13VAC6-20-60(C)		Agency name change.	Update the current designation of "Virginia Motor Vehicle Dealer Board" from the old designation "Virginia Department of Motor Vehicles."
13VAC6-20-80(A)		Undefined term used.	Replace the non-defined term "Noncompliance" with the defined term "Defect."
13VAC6-20-80(B)		Dealer required to inspect furniture.	Eliminate the requirement for a dealer to inspect "furniture" in a home.

<p>13VAC6-20-90(E)</p>		<p>Agency name change.</p>	<p>Update the current designation of “Virginia Motor Vehicle Dealer Board” from the old designation “Virginia Department of Motor Vehicles”</p>
<p>13VAC6-20-100</p>		<p>Biographical information of applicant required.</p>	<p>Eliminate unnecessary biographical information of individuals applying for a Broker’s license, i.e. weight and height.</p>
<p>13VAC6-20-100(C)</p>		<p>Agency name change.</p>	<p>Update the current designation of “Virginia Motor Vehicle Dealer Board” from the old designation “Virginia Department of Motor Vehicles”</p>
<p>13VAC6-20-170(A)(23)</p>		<p>None.</p>	<p>Add to the list of prohibited conduct by regulants. The dealer must include specific information on the sales contract which are vague in the current Regulations; this includes the total cost of the contract; specify if the home is new or used; specify the nominal size of the home, etc. This information helps the consumer understand exactly what they are purchasing.</p>
<p>13VAC-6-20-170(A)(24)</p>		<p>None.</p>	<p>Add to the list of prohibited conduct by the regulants. The dealer must provide a statement to the consumer that the dealer may by law retain damages if they do not accept delivery of the home.</p>
<p>13VAC6-20-170(A)(25)</p>		<p>None.</p>	<p>Add to the list of prohibited conduct by the regulants. The dealer must provide dispute resolution information to the buyer. This will assist the buyer to resolve any disputes that may occur.</p>
<p>13VAC6-20-170(B)</p>		<p>Agency name change.</p>	<p>Update the current designation of “Virginia Motor Vehicle Dealer Board” from the old designation “Virginia Department of Motor Vehicles”</p>
<p>13VAC6-20-320</p>		<p>The definition of a term has been relocated from the body of the Regulation to the definitions section.</p>	<p>Delete the definition of “Date of Delivery” from this section that address warranties. The term “Date of Delivery” has been moved to the definitions section of the Regulations for easy reference.</p>