

Manufactured Housing Rules

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*Administrative Rules of the Texas Department of Housing and Community Affairs
10 Texas Administrative Code, Chapter 80*

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SUBCHAPTER A. CODES AND STANDARDS

§80.10. *Texas Manufactured Housing Standards Code.*

- (a) The Texas Manufactured Housing Standards Code for HUD-Code manufactured homes shall be the Federal Standards established under Title VI of the Housing and Community Development Act of 1974 and each change, amendment, or requirement shall become effective in conjunction with the effective date set by the federal program.
- (b) The historical record of standards adopted for manufactured homes in accordance with the Standards Act, is as follows:
 - (1) Prior to December 11, 1969: none;
 - (2) December 12, 1969 - August 31, 1971: American National Standards Institute (ANSI), A119.1-1963, plumbing, heating and electrical;
 - (3) September 1, 1971 - December 15, 1971: none;
 - (4) December 15, 1971 - February 16, 1972: ANSI, A119.1-1969, plumbing, heating and electrical;
 - (5) February 17, 1972 - January 31, 1973: ANSI, A119.1-1973, plumbing, heating and electrical;
 - (6) February 1, 1973 - September 19, 1973: ANSI, A119.1-1973, plumbing, heating, electrical and construction;
 - (7) September 20, 1973 - August 31, 1974: ANSI, A119.1-1973, plumbing, heating, electrical and construction;
 - (8) September 1, 1974 - June 14, 1976: ANSI, A119.1-1974, plumbing, heating, electrical and construction; and
 - (9) June 15, 1976 - Future: HUD-Code - National Manufactured Home Construction and Safety Standards, Part 3280, promulgated by the United States Department of Housing and Urban Development (HUD), Code of Federal Regulations (CFR), Title 24.

SUBCHAPTER B. DEFINITIONS

§80.11. *Definitions.*

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) **Alteration** - The replacement, addition, and modification or removal of any equipment or its installation after sale by the manufacturer to a retailer, but prior to sale and installation to a purchaser which may affect

the construction, fire safety, occupancy plumbing, heat-producing, or electrical system. An alteration is deemed to be prior to sale if the alteration is part of the retail sales contract. It includes any modification made in the manufactured home which may affect the compliance of the home with the standards, but it does not include the repair or replacement of a component or appliance requiring plug-in to an electrical receptacle where the replaced item is of the same configuration and rating as the one being replaced. It also does not include the addition of an appliance requiring "plug-in" to an electrical receptacle, which appliance was not provided with the manufactured home by the manufacturer, if the rating of the appliance does not exceed the rating of the receptacle to which it is connected (FMHCSS §3287.7(c)).

- (2) Anchoring components - Any component which is attached to the manufactured home and is designed to resist the horizontal and vertical forces imposed on the manufactured home as a result of wind loading. These components include auger anchors, rock anchors, slab anchors, ground anchors, stabilizing plates, connection bolts, j-hooks, buckles, and split bolts.
- (3) Anchoring equipment - Straps, cables, turnbuckles, and chains, including tensioning devices, which are used with ties to secure a manufactured home to anchoring components or other approved devices.
- (4) Anchoring systems - Combination of ties, anchoring components, and anchoring equipment that will resist overturning and lateral movement of the manufactured home from wind forces.
- (5) APA - Administrative Procedure Act, Texas Government Code, Chapter 2001.
- (6) Board – Governing Board of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs.
- (7) Business use - Any use other than for dwelling purposes.
- (8) Calendar days - Includes every day on the calendar.
- (9) Certificate of Attachment - A certificate issued by the department to the person who surrenders the Manufacturer's Certificate of Origin or document of title when the home has been permanently affixed to real estate.
- (10) Coastline - The shoreline that forms the boundary between the land and the Gulf of Mexico or a bay or estuary connecting to the Gulf of Mexico that is more than five miles wide.
- (11) Covenant Disclosure Notice Affidavit - Disclosure to consumer by retailer and lender required pursuant to §21 of the Standards Act.

- (12) Credit document - The credit sale contract or the loan instruments including all the written agreements between the consumer and creditor that relate to the credit transaction.
- (13) Creditor - A person involved in a credit transaction who:
 - (A) extends or arranges the extension of credit; or
 - (B) is a retailer or broker as defined in the Standards Act and participates in arranging for the extension of credit.
- (14) Creditor-Lender – A person that is involved in extending or arranging for credit in inventory financing secured by manufactured housing.
- (15) Custom designed stabilization system - An anchoring and support system that is not an approved method as prescribed by the state generic standards, manufacturer's installation instructions, or other systems pre-approved by the department.
- (16) DAPIA - The Design Approval Primary Inspection Agency.
- (17) Defect - A failure to comply with an applicable federal manufactured home safety and construction standard that renders the manufactured home or any part or component thereof not fit for the ordinary use for which it was intended, but does not result in an unreasonable risk of injury or death to occupants of the affected manufactured home (FMHCSS §3282.7(j)).
- (18) Department - The Manufactured Housing Division of the Texas Department of Housing and Community Affairs (TDHCA).
- (19) Department inspector - An inspector who is an employee of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs or an inspector who is an employee of an entity performing inspection services under contract with the department.
- (20) Deposits - Money or other consideration given by a consumer to a retailer, salesperson, or agent of a retailer to hold a home in inventory for subsequent purchase or to special order a home for subsequent purchase.
- (21) Diagonal tie - A tie intended to primarily resist horizontal forces, but which may also be used to resist vertical forces.
- (22) Director - The Executive Director of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs (TDHCA).
- (23) Document of Title – The instrument issued by the department to reflect the ownership of a manufactured home and any liens on such home as provided by the records of the department.

- (24) Down Payment - An amount, including the value of any property used as a trade-in, paid to a retailer to reduce the cash price of goods or services purchased in a credit sale transaction.
- (25) Dwelling unit - One or more habitable rooms which are designed to be occupied by one family with facilities for living, sleeping, cooking and eating.
- (26) FMHCSS - Federal Manufactured Home Construction and Safety Standards that implement the National Manufactured Home Construction and Safety Standards Act of 1974, 42 USC 5401, et seq., and means a reasonable standard for the construction, design, and performance of a manufactured home which meets the needs of the public including the need for quality, durability, and safety.
- (27) Footing - That portion of the support system that transmits loads directly to the soil.
- (28) Ground anchor - Any device at the manufactured home site designed to transfer manufactured home anchoring loads to the ground.
- (29) HUD-Code manufactured home - A structure constructed on or after June 15, 1976, according to the rules of HUD, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems. The term does not include a recreational vehicle as that term is defined by 24 CFR, §3282.8(g).
- (30) Imminent safety hazard - A hazard that presents an imminent and unreasonable risk of death or severe personal injury that may or may not be related to failure to comply with an applicable federal manufactured home construction and safety standard (FMHCSS §3282.7(q)).
- (31) Independent testing laboratory - An agency or firm that tests products for conformance to standards and employs at least one engineer or architect licensed in at least one state.
- (32) Installation information - A term used to describe the reports used to inform the department of information needed to perform installation inspections (includes Notice of Installation Affidavit).
- (33) IPIA - The Production Inspection Primary Inspection Agency which evaluates the ability of manufactured home manufacturing plants to follow approved quality control procedures and/or provides ongoing surveillance of the manufacturing process.

- (34) Lien – A security interest that is created by any kind of lease, conditional sales contract, deed of trust, chattel mortgage, trust receipt, reservation of title or other security agreement of whatever kind or character, if an interest, other than an absolute title, is sought to be held or given in a manufactured home, and any lien on a manufactured home that is created or given by the constitution or a statute.
- (35) Main frame - The structural components on which the body of the manufactured home is mounted.
- (36) Manufactured home - A HUD-Code manufactured home or a mobile home and collectively means and refers to both.
- (37) Manufactured home identification numbers - For purposes of title records, the numbers shall include the HUD label number(s) and the serial number(s) imprinted or stamped on the home in accordance with HUD departmental regulations. For homes manufactured prior to June 15, 1976, the Texas seal number, as issued by the department, shall be used instead of the HUD label number. If a home manufactured prior to June 15, 1976, does not have a Texas seal, or if a home manufactured after June 15, 1976, does not have a HUD label, a Texas seal shall be purchased from the department and attached to the home and used for identification in lieu of the HUD label number.
- (38) Manufactured home site - That area of a lot or tract of land on which a manufactured home is installed.
- (39) Mobile home - A structure that was constructed before June 15, 1976, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems.
- (40) Notice of Attachment - Notice as defined in §19(l) of the Standards Act that may be filed in property records of the county in which the home is located by a person before department can issue Certificate of Attachment when home is affixed or becomes an improvement to real estate.
- (41) Notice of Improvement Attachment - Notice as defined in §19(l) of the Standards Act that must be filed in property records of the county in which the home is located by a title insurance company before department can issue Certificate of Attachment when home is affixed or becomes an improvement to real estate.
- (42) Permanent foundation - A system of supports and securements, including piers, either partially or entirely below grade which is constructed or

certified in accordance with the criteria outlined in §80.52(a) and (b), of this title (relating to Permanent Foundation Performance Criteria).

- (43) Permanently affixed - Having been anchored to the real estate by attachment to a permanent foundation.
- (44) Rebuild - To make a salvaged manufactured home habitable in accordance with §80.66 of this title (relating to Rebuilding or Repairing a "Salvaged" Manufactured Home).
- (45) Rebuilder - Any person, within the state, who has been licensed by the department to rebuild a salvaged manufactured home, as defined in §8(g) of the Standards Act, in accordance with the rules and regulations of the department.
- (46) Refurbish - To make a nonhabitable manufactured home or section habitable by repairing, adding, replacing, modifying, or removing components.
- (47) Serious defect - Any failure to comply with an applicable federal manufactured home construction and safety standard that renders the manufactured home or any part thereof not fit for the ordinary use for which it was intended and which results in an unreasonable risk of injury or death to occupants of the affected manufactured home (FMHCSS §3282.7(gg)).
- (48) Shim - A wedge-shaped piece of cedar, oak, walnut, pecan, gum, ash, hickory, elm, or other comparable hardwood or other accepted material not to exceed one (1) inch vertical (actual) height.
- (49) Stabilizing components - All components of the anchoring and support system such as piers, footings, ties, anchoring equipment, ground anchors, and any other equipment which supports the manufactured home and secures it to the ground.
- (50) Standards Act - Texas Manufactured Housing Standards Act, Texas Revised Civil Statutes, Article 5221f.
- (51) Support system - A combination of footings, piers, caps and shims that support the manufactured home.
- (52) TDHCA - The Manufactured Housing Division of the Texas Department of Housing and Community Affairs (Department).
- (53) TMHSA - Texas Manufactured Housing Standards Act, Texas Revised Civil Statutes, Article 5221f.
- (54) Used home - Any manufactured home (or mobile home) for which a document of title has previously been issued by an appropriate agency of any state or which has been occupied.

- (55) Vertical tie - A tie intended to primarily resist the uplifting and overturning forces.
- (56) Wind Zone I - All Texas counties not in Wind Zone II.
- (57) Wind Zone II - Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, and Willacy counties.
- (58) Working days - Includes every day on the calendar except Saturday, Sunday, and federal and state holidays.

SUBCHAPTER C. FEE STRUCTURE

§80.20. Fees.

- (a) Annual License Fees and Renewal Fees:
 - (1) \$425 for each manufacturer's plant license;
 - (2) \$275 for each retailer's sales license;
 - (3) \$275 for each rebuilder's license;
 - (4) \$175 for each broker's license;
 - (5) \$175 for each installer's license; and
 - (6) \$100 for each salesperson's license.
- (b) Installation Fees:
 - (1) There is a reporting fee of \$75 for the installation of each manufactured home which is not installed on a permanent foundation.
 - (2) There is a reporting fee of \$150 for the installation of a manufactured home permanently affixed to real estate or on a permanent foundation.
 - (3) Installation fees shall be submitted to the department as follows:
 - (A) When the installation occurs in conjunction with a title transfer, the fee must be submitted to the department along with the application for title and the Notice of Installation Affidavit; or
 - (B) For secondary moves (when there is no title transfer), the fee must be submitted to the department along with a completed Notice of Installation Affidavit within ten (10) working days following the installation date.

- (4) Fee distributions to local governmental entities performing inspection functions pursuant to contract with the department shall be made in accordance with department procedures and the provisions of the contract.
- (c) Alteration Fee: There is a fee of \$60 per hour or a minimum fee of \$60 for the inspection of alterations made upon the structure, plumbing, heating, or electrical systems of manufactured homes. The fee is paid to the department by the person making the alterations. The person shall also reimburse the department for mileage and per diem incurred by department personnel to and from the place of inspection.
- (d) Seal Fee: There is a fee of \$35 for the issuance of Texas Seals. Any person who sells, exchanges, lease purchases, or offers for sale, exchange, or lease purchase a used HUD-Code manufactured home manufactured after June 15, 1976, that does not have a HUD label affixed, or a used mobile home manufactured prior to June 15, 1976, that does not have a Texas Seal affixed shall file an application to the department for a Texas Seal. The application shall be accompanied by the seal fee of \$35 per section made payable to the department.
- (e) Monitoring Fee: There is a fee, as required by HUD, to be paid by each manufacturer in this state for each HUD-Code manufactured home produced. The monitoring inspection fee is established by the secretary of HUD, (pursuant to 24 CFR §3282.307) who shall distribute the fees collected from all manufacturers among the approved and conditionally approved states based on the number of new homes whose first location after leaving the manufacturing plant is on the premises of distributor, retailer, or purchaser in that state, and the extent of participation of the state in the joint monitoring program established under the National Manufactured Housing Construction and Safety Standards Act of 1974.
- (f) Homeowner's Temporary Installer's License: There is a fee of \$100 for the issuance of a homeowner's temporary installer's license, which shall also include the cost of the installation inspection. The fee shall be made payable to the department.
- (g) Education Fee: Each attendee at the course of instruction in the law and consumer protection regulations for license applicants shall be assessed a fee of \$250. If a manufacturer requests the training be performed at his or her facility, the manufacturer shall reimburse the department for the actual costs of the training session (educational fee plus actual cost of travel).
- (h) Habitability Inspection:
 - (1) There is a fee of \$150 for the inspection of a manufactured home which is to be titled for use as a residence after the title has been previously canceled for business use or to become real estate. The inspection is to determine if the home is habitable as defined by §8 of the Standards Act. The fee shall accompany a Form A to apply for reinstatement of the title along with those documents set forth in §80.207 of this title (relating to Reinstatement of Canceled Documents of Title). The person requesting

the inspection for the use change of a manufactured home shall be charged for mileage and per diem incurred by department personnel traveling to and from the location of the manufactured home. The inspector shall advise the consumer of the charges incurred and no title shall be issued until all fees have been paid.

- (2) There is a fee of \$200 for the plan review and inspection of a salvaged manufactured home which is to be rebuilt to determine if the home is habitable for reinstatement of the title. The fee shall accompany a written request for the inspection. The rebuilder shall also be charged for mileage and per diem incurred by department personnel traveling to and from the location of the home. See §80.66 of this title (relating to Rebuilding or Repairing a "Salvaged" Manufactured Home). The inspector shall advise the rebuilder of the charges incurred and no title shall be issued until all fees have been paid.
- (i) Consumer Complaint Inspection:
 - (1) There is a fee of \$150 for the initial inspection of a consumer's home in accordance with a consumer complaint when requested by a license holder or party other than a consumer. The fee shall accompany a written request for the inspection.
 - (2) There is a fee of \$150 for the reinspection of a consumer's home. The fee shall be paid by the party deemed responsible by the department.
- (j) Titles: Fees relating to titles and title transactions are set forth in §80.202 of this title (relating to Fees for Title Documents).

SUBCHAPTER D. STANDARDS AND REQUIREMENTS

§80.50. *Wind Zone Regulations.*

- (a) Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, and Willacy counties are in Wind Zone II. All other counties are in Wind Zone I.
- (b) A manufactured home constructed on or after September 1, 1997 must meet the Wind Zone II standards adopted by HUD in order to be installed in a Wind Zone II county.
- (c) All manufactured homes constructed prior to September 1, 1997 may be installed in Wind Zone I or Wind Zone II without restriction.
- (d) A consumer purchasing a manufactured home constructed on or after September 1, 1997 to Wind Zone I standards must be given a written notice by the selling retailer that:

- (1) The home was not designed nor constructed to withstand hurricane force winds which may occur in Wind Zone II or III areas; and
 - (2) The home is not permitted to be installed in Wind Zone II counties in Texas, and there may be restrictions in other states prohibiting installation in Wind Zone II or III areas.
- (e) The notice required by this section shall be given to the consumer prior to the execution of any mutually binding sales agreement or retail installment sales contract.
- (f) A manufactured home constructed on or after September 1, 1997 shall not be installed within 1,500 feet of the coastline in Wind Zone II, unless the home and its anchoring and support systems have been designed for the increased requirements specified for Exposure D in ANSI/ASCE 7-88.

§80.51. *Manufactured Home Installation Requirements.*

- (a) The following tasks are the responsibility of the manufacturer:
- (1) Manufacturers shall file with the department copies, in the number specified by the department, of installation instructions approved by the manufacturer's DAPIA. DAPIA approval stamps, engineer or architect approval stamps, and the installation manual effective date shall be on each page of the installation instructions or on the cover pages of bound installation manuals, unless an equivalent method of authentication is used for electronically filed documents.
 - (2) A manufacturer may file an appendix to the state's generic standards as a part of the manufacturer's installation instructions if the design of one or more of its homes requires a change in the generic standards to protect the structural integrity of the home. The appendix shall specify which provision of the generic standards is being changed and clearly set forth in detail the change that is necessary.
 - (3) At least thirty (30) calendar days prior to the effective date of any change, modification, or update to the manufacturer's installation instructions or any appendix, the manufacturer shall file such change, modification, or update with the department and mail a copy(s) to all the manufacturer's retailers.
- (b) Manufactured homes installed in Wind Zone I shall be installed in accordance with the manufacturer's installation instructions or the generic standards approved by the department for Wind Zone I.
- (c) Manufactured homes installed in Wind Zone II shall:

- (1) if constructed before September 1, 1997, be installed in accordance with the manufacturer's installation instructions for Wind Zone II or the department's generic standards for Wind Zone II;
 - (2) if constructed on or after September 1, 1997, have data plates indicating Wind Zone II construction and be installed in accordance with the manufacturer's installation instructions for Wind Zone II or the department's generic standards for Wind Zone II.
- (d) In lieu of the requirements of subsections (b) and (c) of this section a manufactured home or an identified class of manufactured homes may be installed at a particular area with similar soil properties according to county soil survey or other geotechnical reports in accordance with a custom designed stabilization system drawing that is stamped by a Texas licensed professional engineer or architect. A custom designed stabilization system may or may not meet the definition of a permanent foundation, but must meet the wind loading requirements of zone II in order to be installed in wind zone II, and a copy of the stabilization system drawing must be forwarded to the department along with the installation report. It must be reported on the permanent foundation installation inspection report form and sent to the department at least ten (10) working days prior to the date of construction, along with the required fee, if the bottoms of the footings or piers are embedded more than 24 inches below the finished natural grade or engineered fill.

§80.52. *Permanent Foundation Criteria.*

- (a) The permanent foundation system shall be either:
- (1) capable of transferring all design loads imposed by or upon the structure into soil or bedrock without failure;
 - (2) placed at an adequate depth below grade to prevent structural damage from frost heave;
 - (3) constructed of concrete, metal, treated lumber or wood, masonry, or other materials conforming to nationally recognized standards;
 - (4) designed so that all of the components of the foundation system cannot be easily removed from the site and used at any other location and the drawings state that the foundation is a permanent foundation for a manufactured home;
 - (5) designed so that the attached structure resists overturning due to wind pressure by the dead load resisting moment of the structure and foundation. The weight of earth superimposed over footings may be used to calculate the dead load resisting moment. The overturning moment shall not exceed the dead load resisting moment and the overturning moment, multiplied by a safety factor of 1.5, shall be less than or equal to

the dead load stabilizing moment plus the stabilizing moment due to ground anchor reactions;

- (6) designed to have the structure attached without the towing hitch, axles, brakes, wheels and other parts of the chassis that operate only during transportation; and
 - (7) designed in accordance with accepted engineering practice to resist damage due to decay, insects, and condensation. A Texas licensed engineer or architect shall stamp and sign each foundation drawing. If the foundation drawing is approved by the DAPIA, the engineer or architect may be licensed in another state; or
- (b) In the alternative for a home acquired and installed before January 1, 2002, a permanent foundation is a system which is certified by the consumer/mortgagor and the lender/mortgagee in a real estate loan transaction, or certified by the owner if there is no lien or the lien has been released, as having permanently affixed the structure to the real estate. If the certification is by the owner only, the certification must show compliance with local ordinances if applicable.

§80.53. *Manufacturer's Design Requirements.*

- (a) Each new manufactured home shall be designed and constructed as a completely integrated structure capable of sustaining the design load requirements of the FMHCSS and shall be capable of transmitting the loads to anchoring systems without causing an unsafe deformation or an abnormal internal movement of the structure or its structural parts.
- (b) Each new manufactured home shall have provisions for anchoring systems which, when properly designed and installed, will resist overturning and lateral movement of the manufactured home up to the respective design loads.
- (c) The provisions of this section shall be followed and the support and anchoring systems shall be designed by a licensed professional engineer or architect.
- (d) The manufacturer shall design homes to make provisions for the necessary support and anchoring systems, but is not required to provide the anchoring equipment. Printed installation instructions for support and anchoring systems for each model shall be filed with the department as required by the department. When the manufacturer's installation instructions provide for the main frame structure to be used as the point for connection to diagonal ties, no specific connecting devices need to be provided on the frame. Ties shall be designed and installed to prevent self disconnection when the ties are slack. For example, open end hooks shall have set screws or other mechanisms to prevent disconnection when there is slack in the strapping.
- (e) The manufacturer shall provide printed instructions with each new home specifying the location, orientation and required capacity of stabilizing components on which the design is based. The installer must use stabilizing

components that have the required capacity and install them according to the anchor or stabilizing component manufacturer's current installation instructions. When soil auger anchor shafts are not installed in-line with the diagonal frame ties or the combined loads of two ties, approved stabilizer plates, or other approved methods, must be used in accordance with the installation instructions for the soil auger anchors and stabilizer plates. If a difficult soil, such as mixed soil and rock or caliche (heavily weathered limestone) that is not solid rock, exists at the homesite, the installer may install a home in accordance with the generic standards and §80.55(d)(4) of this title (relating to Anchoring Systems).

- (f) The minimum number of ties required per side shall be sufficient to resist the wind load stated in the FMHCSS §3280.305(c).

§80.54. *Standards for the Installation of Manufactured Homes.*

- (a) All manufactured homes shall be installed in accordance with one of the following:
 - (1) the home manufacturer's installation instructions;
 - (2) the state's generic standards set forth in this section, §80.55 of this title (relating to Anchoring Systems), §80.56 of this title (relating to Multi-Section Connection Standards), and modified by any appendix filed in accordance with §80.51(a)(2) of this title (relating to Manufactured Home Installation Requirements);
 - (3) a custom designed stabilization system;
 - (4) a stabilization system pre-approved by the department; or
 - (5) on a permanent foundation.
- (b) Site Preparation Responsibilities and Requirements:
 - (1) The purchaser of a manufactured home, new or used, is responsible for the proper preparation of the site where the manufactured home will be installed except as set forth in subsection (g) of this section:
 - (A) In the case of a manufactured home that is to be installed in a manufactured home rental community (as defined in Local Government Code §232.007), the purchaser may not have the ability to control the preparation of the site. Therefore, the purchaser should confirm with the person who owns, leases, or manages the rental community that the site has been properly prepared as required by Property Code, §94.151.
 - (B) When a manufactured home is sold already installed it is not possible for the purchaser to prepare the site. Therefore, it is the responsibility of the seller, if the seller is a licensed retailer, to ensure that the site has been properly prepared.

- (2) Whenever a licensed retailer intends to sell a manufactured home, regardless of where it is located or is to be located, the retailer is required to give the proposed purchaser the Site Preparation Notice, for signature by the consumer, in the form set forth in subsection (g) of this section PRIOR to the execution of any binding sales agreement.
 - (3) Whenever a licensed installer proposes to move a used manufactured home, the installer is required to give the proposed purchaser the Site Preparation Notice, for signature by the consumer, in the form set forth in subsection (g) of this section PRIOR to entering into a binding agreement to move that home.
- (c) If the retailer or installer provides the materials for skirting or contracts for the installation of skirting, the retailer or installer is responsible for the following: The retailer or installer shall install any required moisture and ground vapor control measures in accordance with the home installation instructions, specifications of an approved stabilization system, or the generic standards and shall provide for the proper cross ventilation of the crawl space. If the purchaser or homeowner contracts with a person other than the retailer or installer for the skirting, the purchaser or homeowner is responsible for installing the moisture and ground vapor control measures and for providing for the proper cross ventilation of the crawl space.
- (d) Clearance: If the manufactured home is installed according to the state's generic standards, a minimum clearance of 18 inches between the ground and the bottom of the floor joists must be maintained. In addition, the installer shall be responsible for installing the home with sufficient clearance between the I-Beams and the ground so that after the crossover duct prescribed by the manufacturer is properly installed it will not be in contact with the ground. Refer to §80.56 of this title (relating to Multi-Section Connection Standards) for additional requirements for utility connections. It is strongly recommended that the installer not install the home unless all debris, sod, tree stumps and other organic materials are removed from all areas where footings are to be located.
- (e) Drainage: The purchaser is responsible for proper site drainage where the manufactured home (new or used) is to be installed unless the home is installed in a rental community. It is strongly recommended that the installer not install the home unless the exterior grade is sloped away from the home or another approved method to prohibit surface runoff from draining under the home is provided. Drainage prevents water build-up under the home. Water build-up may cause shifting or settling of the foundation, dampness in the home, damage to siding and bottom board, buckling of walls and floors, delamination of floor decking and problems with the operation of windows and doors.
- (f) Generic Moisture and Ground Vapor Controls:
- (1) If the manufactured home is installed according to the state's generic standards and the space under the home is to be enclosed with skirting

and/or other materials provided by the retailer and/or installer, an access opening not less than 18 inches in any dimension and not less than three square feet in area shall be provided by the installer. The access opening shall be located so that any water supply and sewer drain connections located under the home are accessible for inspections. If a clothes dryer exhaust duct, air conditioning condensation drain, or combustion air inlet is present, the installer must pass it through the skirting to the outside. In addition, crawl space ventilation must be provided at the rate of minimum 1 square foot of net free area, for every 150 square feet of floor area. At least six openings shall be provided, one at each end of the home and two on each side of the home. The openings shall be screened or otherwise covered to prevent entrance of rodents (note: screening will reduce net free area). For example, a 16'x76' single section home has 1216 square feet of floor area. This 1216 square feet divided by 150 equals 8.1 square feet or 1166 square inches of net free area crawl space ventilation.

- (2) The retailer and/or installer must notify the purchaser that moisture and ground vapor control measures are required if the space under the home is to be enclosed. Water vapor build-up may cause dampness in the home, damage to siding and bottom board, buckling of walls and floors, delamination of floor decking and problems with the operation of windows and doors. The generic ground vapor control measure shall consist of a ground vapor retarder that is minimum 6 mil polyethylene sheeting or its equivalent, installed so that the area under the home is covered with sheeting and overlapped approximately 12 inches at all joints. Any tear larger than 18 inches long or wide must be taped using a material appropriate for the sheeting used. The laps should be weighted down to prevent movement. Any small tears and/or voids around construction (footings, anchor heads, etc.) are acceptable.

- (g) Notice: The site preparation notice to be given to the consumer shall be as follows:

SITE PREPARATION NOTICE

FAILURE TO PREPARE THE SITE PROPERLY BEFORE INSTALLING YOUR MANUFACTURED HOME MAY INVALIDATE YOUR WARRANTY AND MAY CAUSE PROBLEMS WITH YOUR HOME.

IF YOU ARE ACQUIRING LAND FOR A MANUFACTURED HOME AND WILL NOT HAVE THE ABILITY TO OVERSEE SITE PREPARATION YOURSELF, BE SURE THAT YOUR AGREEMENT WITH THE PARTY PROVIDING THE LAND COVERS THEIR RESPONSIBILITIES FOR SITE PREPARATION.

If you are acquiring a manufactured home you need to be sure that the site is properly prepared **BEFORE the home is installed**. If you will be having your home installed in a rental community, you should first be sure that the community has prepared the site properly and assumed that responsibility. If you are acquiring a manufactured home that is already installed, you should satisfy yourself that the site was properly prepared first.

Site Preparation includes AT LEAST the following: (1) selecting a site where the home will not be affected by rising or running water, as in the case of heavy rains, (2) grading the site, as needed, so that the land slopes away from the home, (3) making sure that the site will not create puddles or moisture build-up under the home by filling any depressions and, as needed, providing for drainage, (4) clearing away any plants, stumps, or debris on the site where the home will be placed, and (5) installing any required vapor retarder barrier (and, if such a barrier is to be installed, trimming any grasses or other organic materials to a suitable height, not greater than 8").

If your retailer is providing skirting, the retailer must also provide and install any required vapor retarder barrier and insure that there is adequate ventilation under the home. If the retailer is not providing these things, you should be sure that you have provided for any required vapor retarder barrier and that you have provided adequately for ventilation under the home.

FAILURE TO PREPARE THE SITE PROPERLY AND/OR FAILURE TO TAKE APPROPRIATE MEASURES TO GUARD AGAINST MOISTURE BUILD-UP MAY CAUSE SERIOUS PROBLEMS WITH YOUR MANUFACTURED HOME INCLUDING, BUT NOT LIMITED TO, MOISTURE IN THE HOME, DELAMINATION OF FLOOR DECKING, BUCKLING OF WALLS AND FLOORS, WARPAGE THAT WILL MAKE DOORS AND WINDOWS NOT OPERATE PROPERLY, FAILURE OF ANCHORS TO HOLD THE HOME AS INTENDED, AND EVEN SERIOUS STRUCTURAL DAMAGE.

purchaser/homeowner signature

purchaser/homeowner signature

type or print name

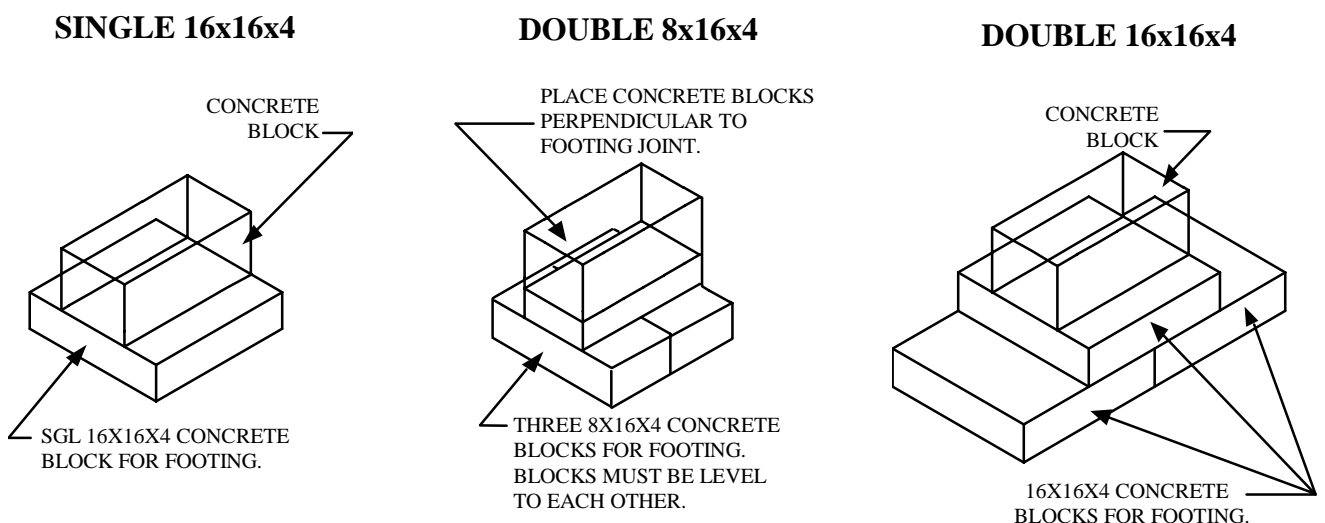
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- (h) Footers and Piers:
- (1) Proper sizing of footings depends on the load carrying capacity of both the piers and the soil. To determine the load bearing capacity of the soil, the installer may use any of the following methods:
 - (A) Pocket penetrometer:
 - (i) Test a typical area adjacent to or within 10 feet of the perimeter of the unit;
 - (ii) Dig down to undisturbed soil. This should be a minimum of 1 square foot surface area; and
 - (iii) Using the pocket penetrometer take seven (7) readings, eliminate the highest and the lowest and average the remaining five (5).
 - (B) Soil surveys from the U.S. Department of Agriculture;
 - (C) Values from tables of allowable or presumptive bearing capacities given in local building codes. Such tables are commonly available from the local authority having jurisdiction; or
 - (D) Any other test data from soil analysis reports.
 - (2) The footing must be placed on firm, undisturbed soil, or fill compacted to at least 90% of its maximum relative density. Installation on loose, noncompacted fill may invalidate the home's limited warranty.
 - (3) Footer configurations:

FOOTER CONFIGURATIONS



- (4) Footer sizing and capacities: The following tables represent maximum loads and spacings based on footer size and soil bearing capacity. Other approved footers may be used if equal or greater in bearing area than those footer sizes tabulated.

TABLE 3A: FOOTER CAPACITIES (LBS)

-----Soil Bearing Capacity-----

Footer size	1000psf	1500psf	2000psf	2500psf	3000psf	3500psf	4000psf
16x16x4	1700	2700	3500	4400	5300	6100	7000
20x20x4	2700	4100	5500	6900	8300	9400	11000
16x32x4	3500	5200	6800	8600	10400	12000	14000
24x24x4	4000	6000	8000	10000	12000	14000	16000

Notes:

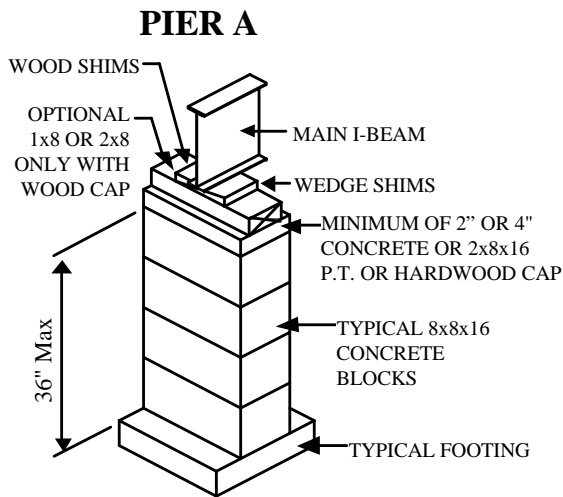
- 1) 8x16x4 footers may be used for perimeter and/or exterior door supports. Capacity is half that of the tabulated values for a 16x16x4 footer. For double 8x16x4 footers use the 16x16x4 row.
- 2) Footers of material other than concrete may be used if approved by the department and the listed capacity and area is equal to or greater than the footer it replaces. Concrete footers of sizes not listed may be used as long as their size is equal to or greater than the size listed.
- 3) Footers with loads greater than 10,000 lbs. require a double stacked pier.
- 4) All poured concrete is minimum 2500 psi at 28 days.
- 5) Actual footer dimensions may be 3/8 inch less than the nominal dimensions for solid concrete footers conforming to the specifications in ASTM C90-99a, Standard Specification for Loadbearing Concrete Masonry Units.

- (5) Piers and pier spacings: One of the most important parts of home installation is proper pier installation. Incorrect size, location or spacing of piers may cause serious structural damage to the home. Spacing and location of piers shall be in accordance with the tables listed in these standards (Table 3B, without perimeter piers; Table 3C, with perimeter piers).
- (A) Spacing shall be as even as practicable along each main I-Beam. Pier spacing may exceed tabulated values up to 30% so long as the total pier count remains the same. End piers are to be located within 24 inches of the end of the main frame.
- (B) Piers shall extend at least 6 inches from the centerline of the I-Beam or be designed to prevent dislodgment due to horizontal movement of less than 4 inches.
- (C) Load bearing supports or devices shall be listed by an independent testing laboratory, nationally recognized inspection agency, or other nationally recognized organization and approved by the department. Engineers or architects licensed in Texas may design load bearing supports or devices for a single installation. A copy of the design for this particular home and site shall be provided to the department before the home is installed, but department approval is not required.

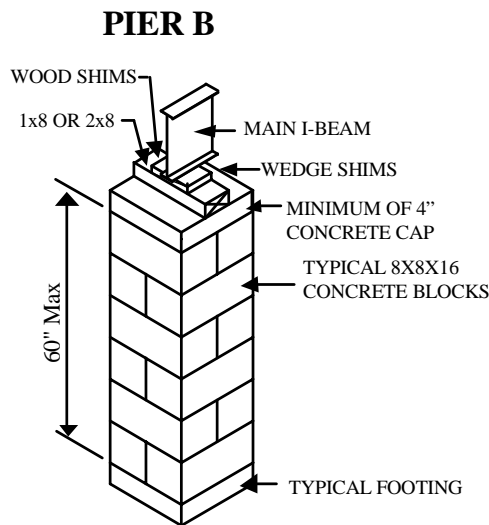
- (D) Sidewall openings greater than 4 feet shall have perimeter piers located under each side of the opening, i.e. patio doors, recessed porches/entries, bay windows and porch posts. Perimeter piers for openings are not required for endwalls.

(6) Pier design: Piers shall be constructed per the following details:

PIER DESIGN (SINGLE & MULTI-SECTION STACK)



Pier A: Single stack of open cell, 8x8x16 concrete blocks. Maximum height is 36 inches as measured from the top of the footer to the top of the last concrete block. Concrete blocks are installed with their lengths perpendicular to the main I-Beam. Open cells must be vertical and in alignment.



Pier B: Interlocked double stack of open cell 8x8x16 concrete blocks. The maximum height is 60 inches as measured from the top of the footer to the top of the last concrete block. The pier is capped with a minimum 16x16x4 concrete cap. Open cells must be vertical and in alignment. Each course of open cell blocks must be perpendicular to the previous course.

Note:

- 1) Open cell and solid concrete blocks shall meet ASTM-C90-99a, Standard Specification for Loadbearing Concrete Masonry Units.
- 2) Support system components are to be undamaged and installed in a manner to accomplish the purpose intended.
- 3) Either wood caps or shims must be used between I-Beam and concrete.

- (A) Shimming (if needed): Hardwood shims are commonly used as a means for leveling the home and filling any voids left between the bottom flange of the I-Beam and the top of the pier cap. Wedge shaped shims must be installed from both sides of the I-Beam to provide a level bearing surface. The allowable height must not exceed 1 inch. Shims shall be a minimum of 3 inches wide and 6 inches long. Over shimming should be avoided.
- (B) Table 3B - Pier loads (pounds) at tabulated spacings WITHOUT perimeter supports:

**TABLE 3B: PIER LOADS (LBS) AT TABULATED SPACINGS
(WITHOUT PERIMETER SUPPORTS)**

----- maximum pier spacing -----					
Unit Width(ft)	4 ft o.c.	5 ft o.c.	6 ft o.c.	7 ft o.c.	8 ft o.c.
12 Wide	1725	2150	2600	3000	3400
14 wide	2000	2500	3000	3500	4000
16 Wide	2350	2900	3500	4100	4700
Note: 18 ft. wides require perimeter blocking per table 3C.					
Example: Determine maximum pier spacing for a 16 ft. wide x 76 ft. long single section with a soil bearing capacity of 1500 psf. Footer size to be used is a single 16x16x4 precast concrete footer.					
Step 1: In table 3A look up the maximum load for a single 16x16x4 pad set on 1500 psf soil. Answer = 2700 psf					
Step 2: In table 3B in the column for 16 ft. wide, find the on-center spacing (o.c.) load equal to or less than the footer capacity of 2700 lbs found in table 3A. The 4ft column shows minimum capacity of 2350 lbs.					
Answer: Therefore, for a 16 ft. wide and a soil bearing capacity of 1500 psf using 16x16x4 footers the maximum pier spacing is 4 ft. o.c.					

- (C) Table 3C - Pier loads (pounds) at tabulated spacings WITH perimeter supports:

**TABLE 3C: PIER LOADS (LBS) AT TABULATED SPACINGS
(WITH PERIMETER SUPPORTS)**

----- maximum I-Beam pier spacing -----					
Unit width (ft)	4 ft o.c.	6 ft o.c.	8 ft o.c.	10 ft o.c.	12 ft o.c.
12 Wide	750	1150	1500	1900	2300
14 Wide	1050	1600	2100	2600	3100
16 Wide	1200	1800	2400	3000	3600
18 Wide	1450	2150	2850	3600	4300
Note: Maximum I-Beam pier spacing is 8 ft. o.c. for 8" I-Beam, 10 ft. o.c. for 10" I-Beam and 12 ft. o.c. for 12" I-Beam or the resultant maximum spacing based on soil bearing and footer size per Table 3A, whichever is less.					

----- maximum perimeter pier spacing -----

Unit width (ft)	4 ft o.c.	5 ft o.c.	6 ft o.c.	7 ft o.c.	8 ft o.c.
12 Wide	1000	1200	1500	1700	1900
14 Wide	1100	1400	1650	1900	2200
16 Wide	1300	1600	1900	2250	2500
18 Wide	1600	2000	2300	2700	3000

Example: Determine maximum I-Beam pier spacing for a 16 ft. wide with 12" I-Beam, perimeter blocking and 1500 psf soil bearing capacity.

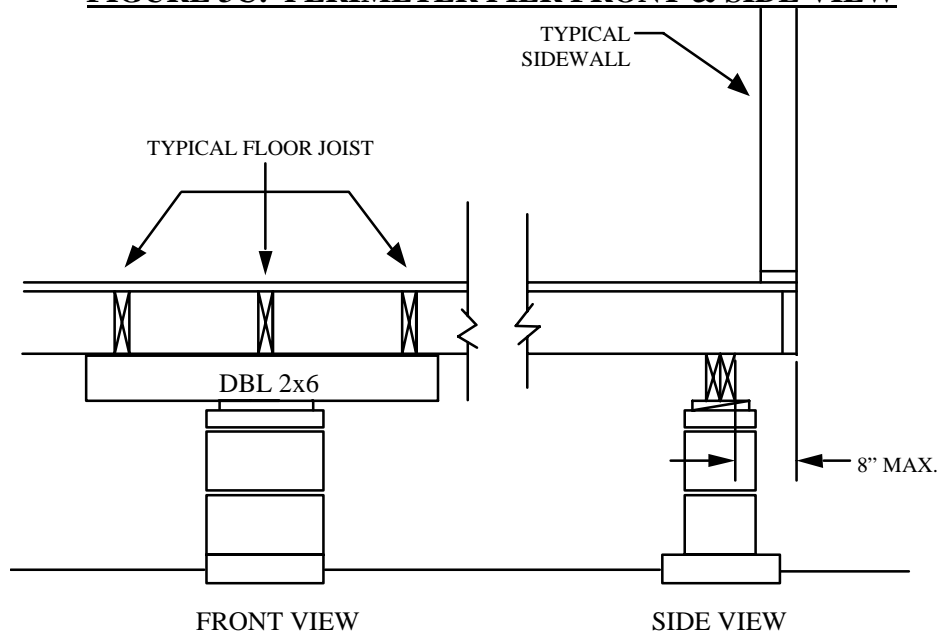
Step 1: From Table 3A, the maximum load for a 16x16x4 at 1500 psf soil is 2700 lbs.

Step 2: From Table 3C, the I-Beam pier load @ 10 ft. o.c. is 3000 lbs ==> no good
the I-Beam pier load @ 8 ft. o.c. is 2400 lbs ==> ok

I-Beam pier spacing is at 8 ft. o.c.

Step 3: The perimeter pier load @ 8ft. o.c. is 2500 lbs =====> ok
Perimeter pier spacing is at 8 ft. o.c.

FIGURE 3C: PERIMETER PIER FRONT & SIDE VIEW

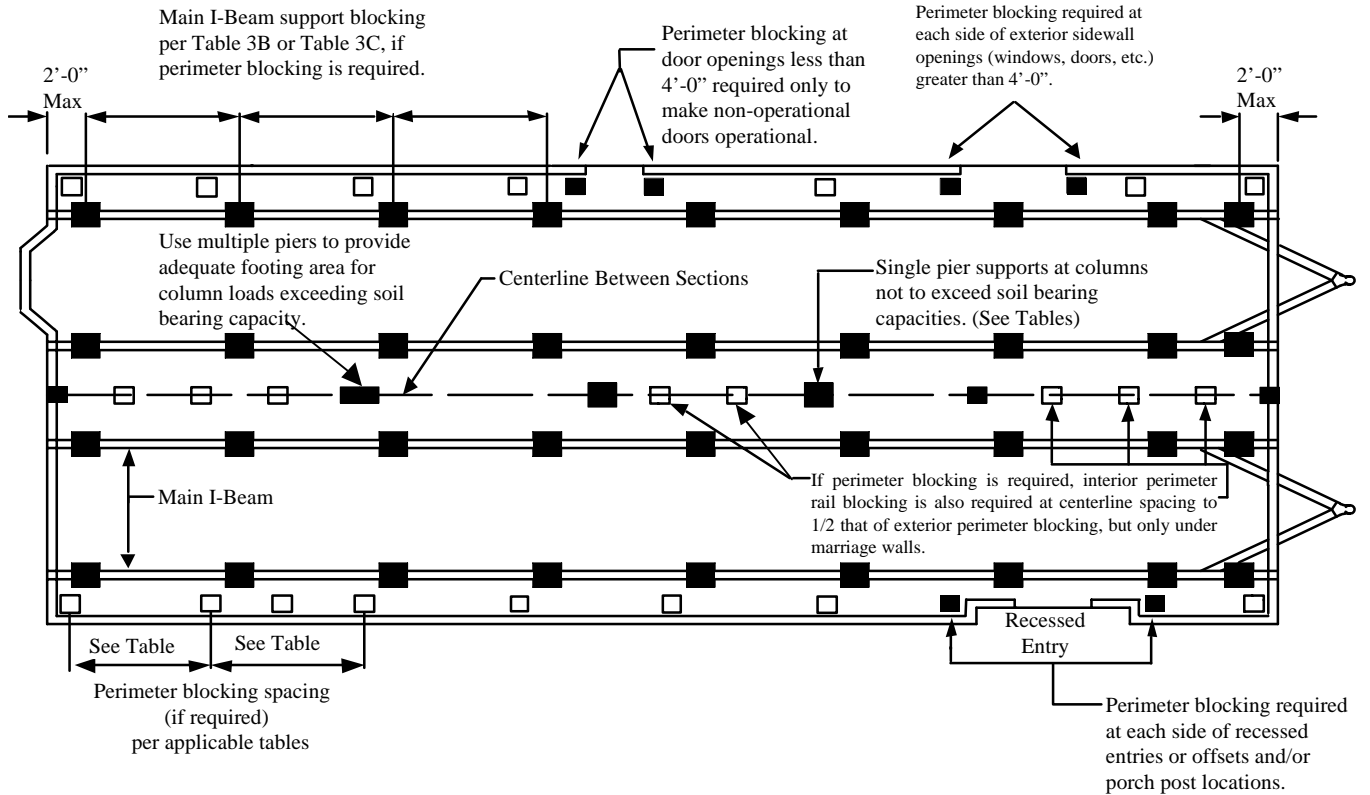


Notes:

- 1) Perimeter pier may be inset from edge of floor up to 8". The 2x6 brace may be omitted if the front face of a perimeter pier is flush with the perimeter joist and the perimeter pier supports the intersection of an interior joist and perimeter joist.
- 2) Dbl 2x6 are min. #3 Yellow Pine or pressure treated Spruce-Pine, nailed together with min. 16d nails 2-rows at maximum 8" o.c.
- 3) 2x6 brace must span at least two (2) but not more than three (3) floor joists.

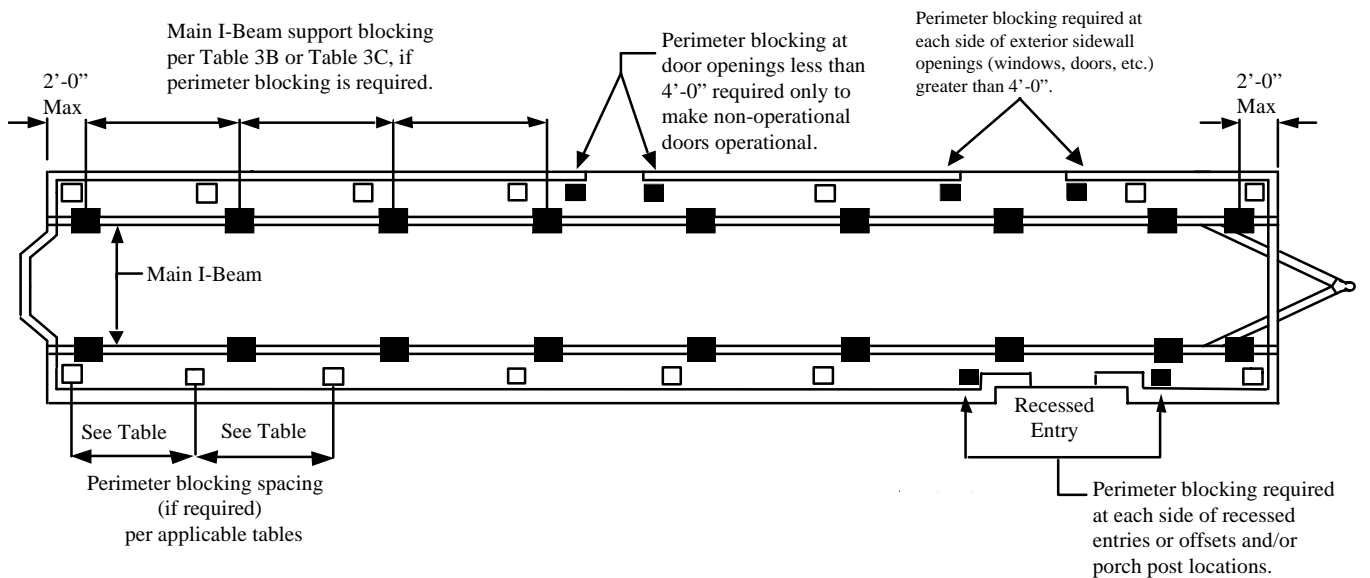
(7) Typical multi-section pier layout:

TYPICAL MULTI-SECTION PIER LAYOUT



(8) Typical single section pier layout:

TYPICAL SINGLE SECTION PIER LAYOUT



(9) Multi-section units mating line column supports:

(A) On multi-section units, openings larger than 4 feet must have piers installed at each end of the opening. To determine the pier loads, refer to Table 3D in subparagraph (D) of this paragraph.

DETERMINING COLUMN LOAD

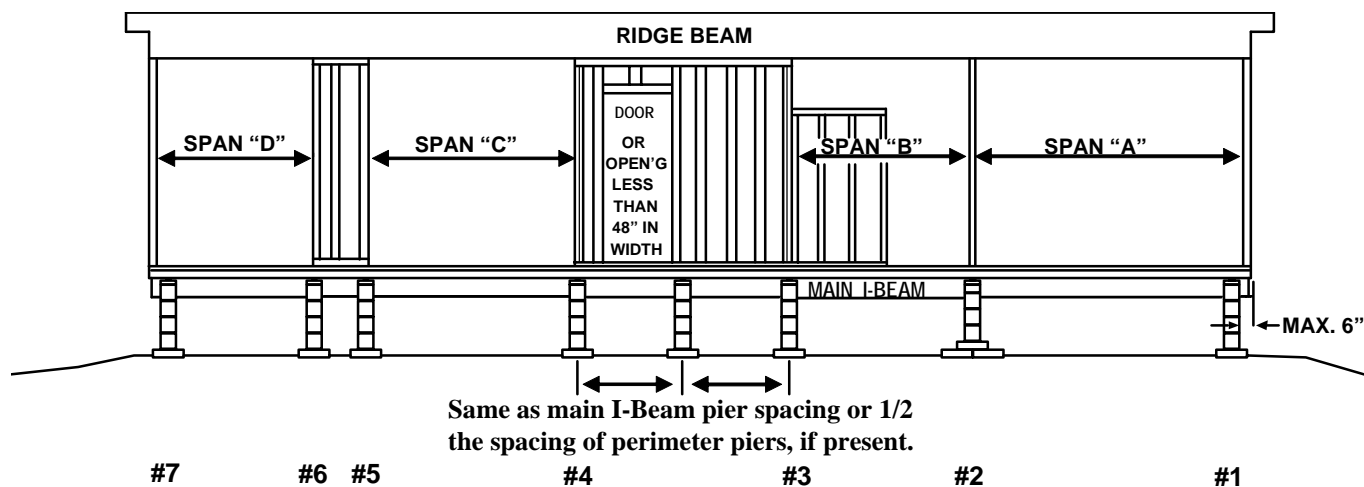
To determine the column load for Column #1 at the endwall look up Span "A" in Table 3D. To determine the column load for Column #2, look up the combined distance of both Span "A" and Span "B".

To determine the column load for Column #3 look up Span "B" in the table.

(NOTE: Mating line walls not supporting the beam must be included in the span distance.)

To determine the loads for Columns #4 and #5 look up Span "C". For Columns #6 and #7 look up load for span "D".

MARRIAGE LINE ELEVATION



(B) Column loads for each section may be combined when the columns are opposite each other. The footer must be sized for the combined loading.

(C) Additional piers are required under marriage walls (see wall between column #3 and #4 in the Marriage Line Elevation drawing in subparagraph (A) of this paragraph). The maximum spacing is the same as the spacing at the main I-Beams, without perimeter piers, and one half the spacing of the perimeter piers, with perimeter piers installed.

(D) Table 3D: Mating line column loads (pounds).

TABLE 3D: MATING LINE COLUMN LOADS (LBS)

-----Unit width in feet (nominal)-----

Span in feet	12 Wide	14 Wide	16 Wide
4	720	840	960
6	1080	1260	1440
8	1440	1680	1920
10	1800	2100	2400
12	2160	2520	2880
14	2520	2940	3360
16	2880	3360	3840
18	3240	3780	4320
20	3600	4200	4800
22	3960	4620	5280
24	4320	5040	5760
26	4680	5460	6240
28	5040	5880	6720
30	5400	6300	7200
32	5760	6720	7680
34	6120	7140	8160
36	6480	7560	8640

Note: If actual span is not shown use next higher tabulated span.

§80.55. Anchoring Systems.

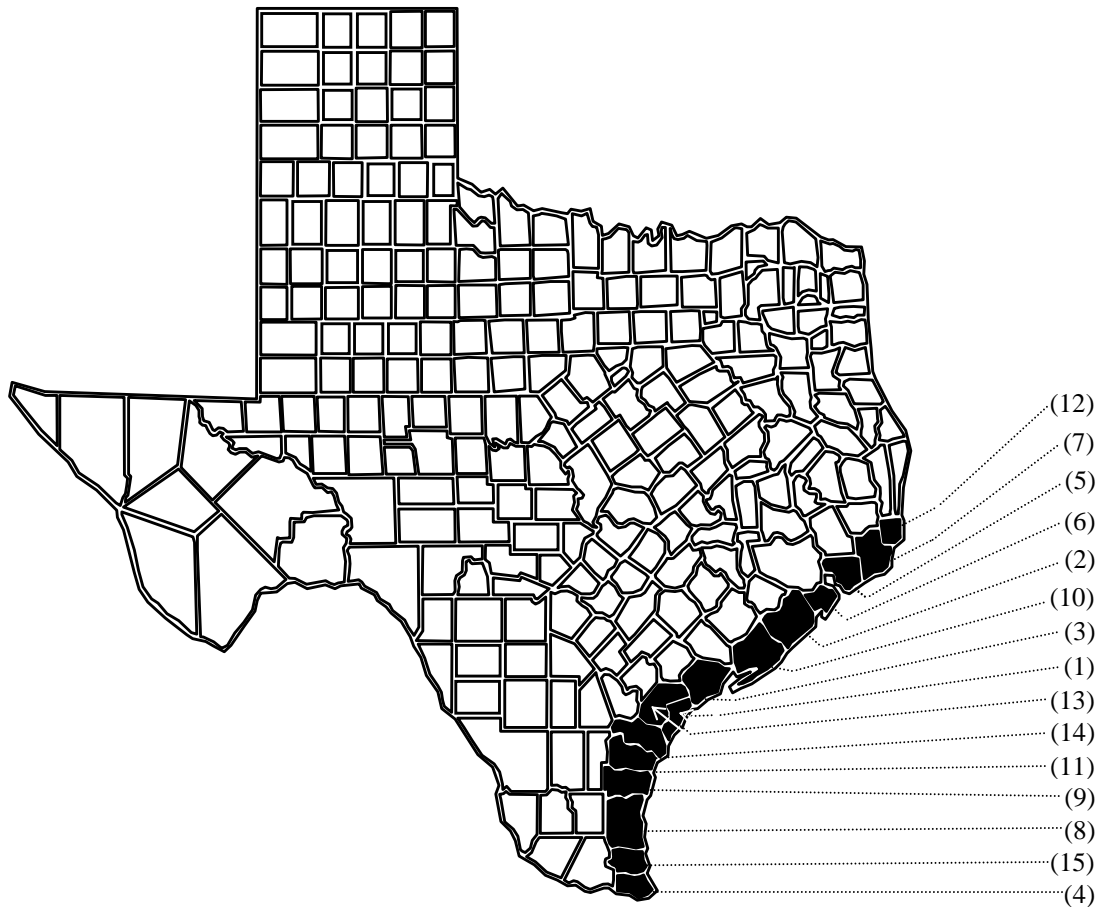
- (a) General Requirements: For units built on or after September 1, 1997, the installer must verify that the unit is designed for the Wind Zone in which it is to be installed. Note: A Wind Zone I unit, built on or after September 1, 1997, may not be installed in a Wind Zone II area. However, a Wind Zone II unit may be installed in a Wind Zone I area.

Counties Located in Wind Zone II

The following counties in Texas are considered to be in Wind Zone II (100 mph):

- | | | | |
|-----|-----------|------|--------------|
| (1) | Aransas | (9) | Kleberg |
| (2) | Brazoria | (10) | Matagorda |
| (3) | Calhoun | (11) | Nueces |
| (4) | Cameron | (12) | Orange |
| (5) | Chambers | (13) | Refugio |
| (6) | Galveston | (14) | San Patricio |
| (7) | Jefferson | (15) | Willacy |
| (8) | Kenedy | | |

All other counties are in Wind Zone I.



(b) Material Specifications:

- (1) Strapping shall be Type 1, Finish B, Grade 1 steel strapping, 1.25 inches wide and 0.035 inches in thickness, certified by a licensed professional engineer or architect as conforming with the American Society for Testing and Materials (ASTM) Standard Specification D3953 91, Standard Specification for Strapping, Flat Steel, and Seals. Tie materials shall be capable of resisting an allowable working load of 3,150 pounds with no more than 2% elongating and shall withstand a 50% overload (4,725 pounds total). Ties shall have a resistance to weather deterioration at least equivalent to that provided by coating of zinc on steel of not less than 0.30 ounces per square foot on each side of the surface coated (0.0005 inches thick), as determined by ASTM Standards Methods of Test for Weight of Coating on Zinc-coated (galvanized) Iron or Steel Articles (ASTM A 90-81). Slit or cut edges of zinc-coated steel strapping are not required to be zinc coated. Strapping shall be marked at least every five feet with the marking described by the certifying engineer or architect.
- (2) All anchoring components must be approved by the department. Installers shall only use approved anchoring components. An installer may obtain a list of approved anchoring components from the department, anchor manufacturer and/or supplier of anchoring components.

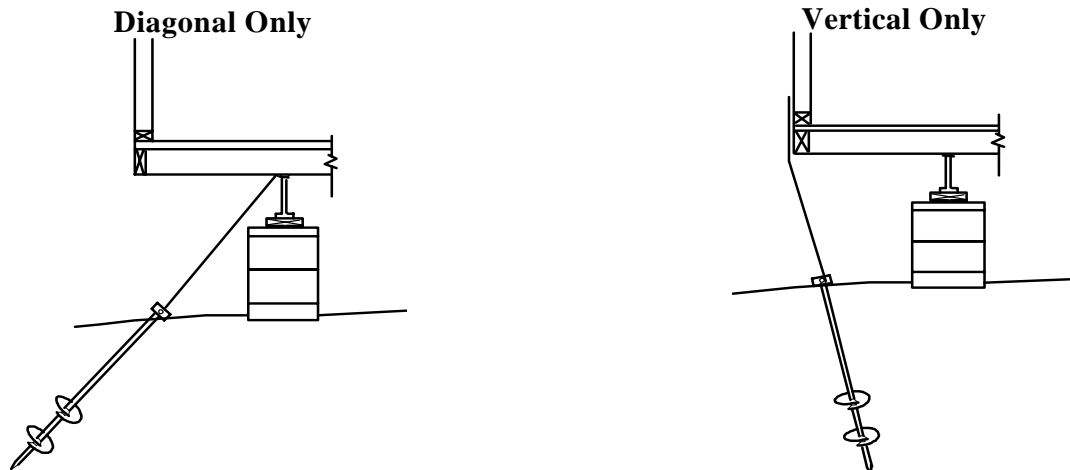
(c) Anchors shall be installed per the following details:

- (1) in direction of load,

ANCHOR INSTALLATION

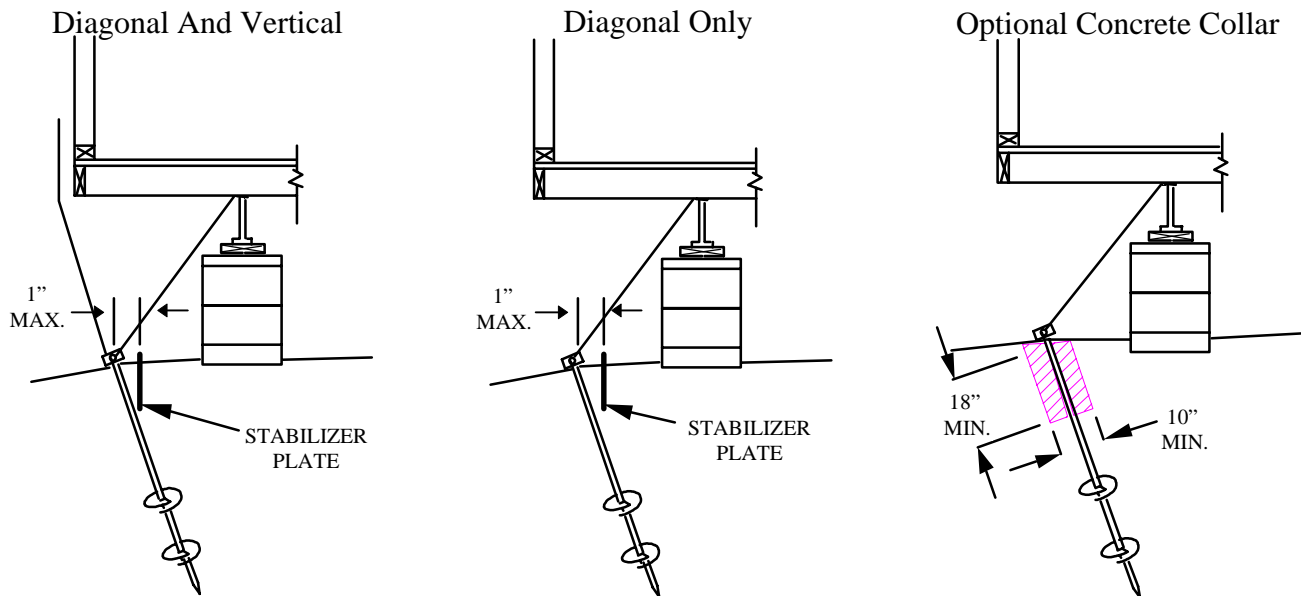
Notes:

- 1) Anchor head must be not more than 1 inch from the ground at insertion point.
- 2) Anchor head may be inset a maximum of 6 inches from the vertical outer edge of the floor framing to allow for skirting installation.



- (2) installed against direction of load (vertical and/or angled), a stabilizer plate must be installed.

PLACEMENT OF STABILIZING PLATES



Notes:

- 1) Stabilizer plate may be replaced with concrete collar that is at least 18 inches deep and 10 inches in diameter.
- 2) Diagonal tie must depart from the top of the I-Beam as shown.
- 3) The top of the stabilizer plate must be within 1 inch of the anchor shaft.
- 4) Stabilizer plates must be installed in accordance with the plate manufacturer's instructions.

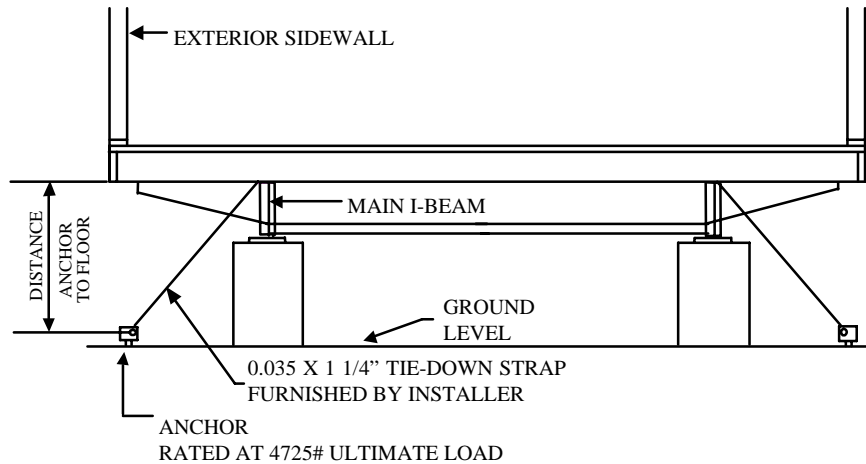
(d) WIND ZONE I Installation:

- (1) Typical anchor layout, single and multi-section units (WIND ZONE I ONLY):

WIND ZONE I – SINGLE/MULTI-SECTION INSTALLATION

(Refer to other figures for depictions of proper anchor and stabilizer device installation.)

Figure 1: Single Section

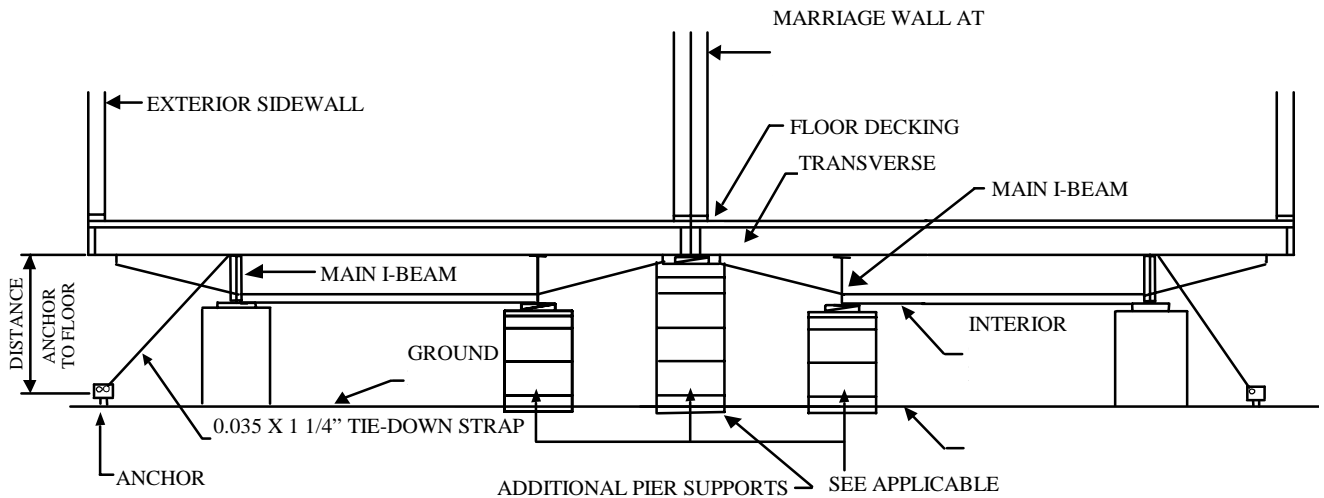


Notes:

- 1) Single section units require diagonal ties to be directly opposite each other.
- 2) All existing vertical ties must be connected to a ground anchor.
- 3) Diagonal tie spacing per Table 4A or §80.55(d)(4). Vertical distance in this table refers to the distance of the anchor head to the underside of the floor joists as shown above.

4

Figure 2: Multi-Section



Notes:

- 1) Multi-section units require diagonal ties on the outer main I-Beams only.
- 2) Diagonal ties need not be directly opposite each other.
- 3) Diagonal tie spacing per Table 4A or §80.55(d)(4). Vertical distance in this table refers to the distance of the anchor head to the underside of the floor joists as shown above.
- 4) Existing vertical ties must be connected to a ground anchor.
- 5) Diagonal tie must depart from the top of the I-Beam as shown.

- (2) Table 4A: The following table describes the maximum spacing for diagonal ties along each side of the unit.

WIND ZONE I ONLY!

Minimum Nominal Widths Single/Double Section				
Max. Vertical Distance	12/24 wide	14/28 wide	16/32 wide	18/36 wide
20" to 24"	11 ft	14 ft	15 ft	16 ft
25" to 29"	9 ft	12 ft	14 ft	15 ft
30" to 40"	8 ft	10 ft	12 ft	14 ft
41" to 48"	7 ft	9 ft	11 ft	13 ft
49" to 60" (see note 3)	6 ft	8 ft	10 ft	12 ft
61" to 80" (see note 3)	5 ft	6 ft	8 ft	10 ft
Minimum number of longitudinal ties, each end of each section.	1 at min. 58° angle from vertical	2 at min. 32° angle from vertical	2 at min. 38° angle from vertical	2 at min. 46° angle from vertical

Notes:

- 1) This chart applies to single and multi section homes.
- 2) Anchoring components are rated at 4725 lbs. ultimate load. Anchoring components and equipment shall be installed in accordance with the anchoring component and equipment manufacturer's installation instructions or the generic standards in §80.55(d)(4).
- 3) Single section units shall have diagonal ties directly opposite each other along the two main I-beams. Multi section units need diagonal ties on the outer-most main I-beam only. When vertical distance exceeds 48", connect diagonal tie to opposite beam.
- 4) Ties installed at each end of the home shall be within 24 inches of each end of the applicable I-beam.
- 5) The distance between any two ties may be exceeded to avoid an obstruction, as long as the total number of ties remains the same, and no two anchors shall be within 4 ft of each other. See table 4 B.
- 6) Any vertical ties present on homes must be attached to a ground anchor. Both vertical and diagonal ties may be connected to a single double-headed anchor, when the anchor is approved for the combined loading.
- 7) The vertical distance is measured from the anchor head to the underside of the floor joists.
- 8) No two anchors shall be within 4 ft of each other.
- 9) Other approved stabilizing systems may replace longitudinal ties. Follow approved installation instructions.

- (3) Table 4B: Minimum number of diagonal ties required per side, per unit length. Table based on 2 feet inset of anchors at each end.

WIND ZONE I ONLY

unit length (ft)	o.c. spacing (ft)												
	4	5	6	7	8	9	10	11	12	13	14	15	16
40	10	8	7	6	6	5	5	4	4	4	4	3	3
42	11	9	7	6	6	5	5	5	4	4	4	4	3
44	11	9	8	7	6	5	5	5	4	4	4	4	4
46	12	9	8	7	6	5	5	5	5	4	4	4	4
48	12	10	8	7	7	6	5	5	5	4	4	4	4
50	13	10	9	8	7	6	6	5	5	5	4	4	4
52	13	11	9	8	7	6	6	5	5	5	4	4	4
54	14	11	9	8	7	7	6	6	5	5	5	4	4
56	14	11	10	8	8	7	6	6	5	5	5	4	4
58	15	12	10	9	8	7	6	6	6	5	5	5	4
60	15	12	10	9	8	7	7	6	6	5	5	5	5
62	16	13	11	9	8	7	7	6	6	5	5	5	5
64	16	13	11	10	9	8	7	6	6	6	5	5	5
66	17	13	11	10	9	8	7	7	6	6	5	5	5
68	17	14	12	10	9	8	7	7	6	6	6	5	5
70	18	14	12	10	9	8	8	7	7	6	6	5	5
72	18	15	12	11	10	9	8	7	7	6	6	6	5
74	19	15	13	11	10	9	8	7	7	6	6	6	5
76	19	15	13	11	10	9	8	8	7	7	6	6	6

Note: If unit length is not listed use next higher tabulated length.

(4) When approved auger anchors cannot be inserted into a difficult soil after moistening, such as mixed soil and rock or caliche (heavily weathered limestone) that is not solid rock, approved cross drive rock anchors may be used in accordance with the values and notes for Table 4A in paragraph (2) of this subsection modified as follows:

(A) since the ultimate anchor pull out in the difficult soil will be reduced, the maximum spacing for diagonal ties per side is one half the spacing allowed by Table 4A which will require adding one additional cross drive rock anchor for each anchor specified for the sides and ends;

- (B) the rods of the approved cross drive rock anchors must be fully inserted, have at least 24 inches of the rod lengths embedded in the difficult soil, and be restrained from horizontal movement, when feasible, by a stabilizer plate between the rods and the home; and
- (C) each cross drive rock anchor is connected to one diagonal tie and is not connected to a vertical tie.
- (e) WIND ZONE II Installation:
- (1) In place of the requirements as shown in subsection (d) of this section, units designed for Wind Zone I and built prior to September 1, 1997, and units designed for Wind Zone II and built prior to July 13, 1994, require diagonal ties as set forth in Table 5A when these units are installed in Wind Zone II. See also §80.50 of this title (relating to Wind Zone Regulations). Items not specifically addressed in this section are the same as for Wind Zone I installations.

**TABLE 5A: MAXIMUM SPACING FOR DIAGONAL TIES
PER SIDE OF THE ASSEMBLED UNIT**

Minimum Nominal Widths Single/Double Section				
Max. Vertical Distance	12/24 wide	14/28 wide	16/32 wide	18/36 wide
20" to 24"	7 ft	8 ft	8 ft	8 ft
25" to 29"	6 ft	7 ft	8 ft	8 ft
30" to 40"	5 ft	6 ft	7 ft	8 ft
41" to 48"	4 ft	5 ft	6 ft	7 ft
49" to 60" (see note 3)	4 ft	6 ft	6 ft	6 ft
61" to 80" (see note 3)	4 ft	4 ft	4 ft	4ft
Minimum number of longitudinal ties, each end of each section.	2 at min. 58° angle from vertical	2 at min. 32° angle from vertical	3 at min. 38° angle from vertical	3 at min. 46° angle from vertical

Notes:

- 1) This chart applies to single and multi section homes.
- 2) Anchor components are rated at 4725 lbs. ultimate load.
- 3) Single section units shall have diagonal ties directly opposite each other along the two main I-beams. Multi section units need diagonal ties on the outer-most main I-beam only. When vertical distance exceeds 48", connect diagonal tie to opposite beam.
- 4) Ties installed at each end of the home shall be within 24 inches of each end of the applicable I-beam.
- 5) The distance between any two ties may be exceeded to avoid an obstruction, as long as the total number of ties remains the same, and no two anchors shall be within 4 ft of each other. See

table 4B.

- 6) Any vertical ties present on homes must be attached to a ground anchor. Both vertical and diagonal ties may be connected to a single double-headed anchor, when the anchor is approved for the combined loading.
- 7) The vertical distance is measured from the anchor head to the underside of the floor joists.
- 8) No two anchors shall be within 4 ft of each other.
- 9) Other approved stabilizing systems may replace longitudinal ties. Follow approved installation instructions.

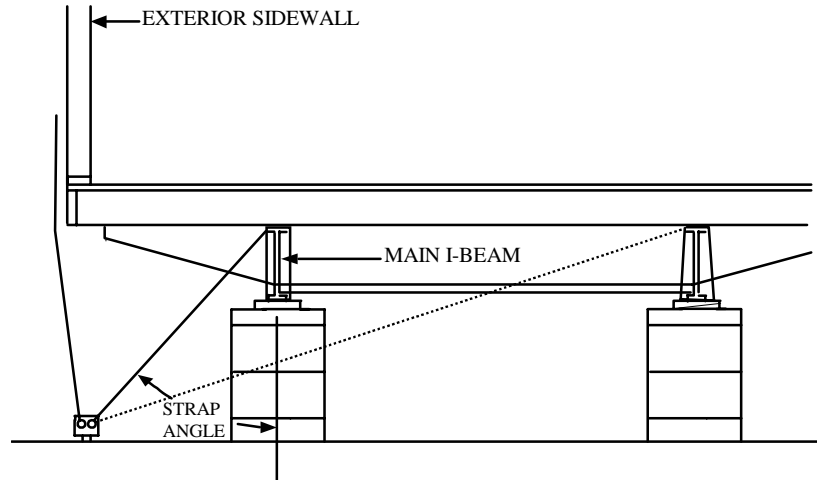
(2) Units built to Wind Zone II on or after July 13, 1994.

- (A) Units built to Wind Zone II on or after July 13, 1994, should have either built-in, or provisions for connecting, vertical ties along the sidewall(s) of each unit(s). A diagonal tie must be installed at each vertical tie location (except for designated shearwall tie). Built-in vertical ties shall be connected to anchors. If there are brackets or other provisions for connecting vertical ties, vertical ties shall be added at the brackets or provisions and connected to anchors.
- (B) Only factory installed vertical ties may be closer than 4 feet from each other.
- (C) Where tie locations are clearly marked as a shear wall strap, a perimeter pier must be installed at that location. See subsection §80.54(d) of this title (relating to Standards for the Installation of Manufactured Homes) for perimeter pier construction. Diagonal tie is not required.
- (D) Where the vertical tie spacing exceeds 8'-0" on-center (see also note 6 in table 5A for exception), the anchoring system must be approved by the home manufacturer's installation manual, or designed by a professional engineer or architect licensed in the state of Texas.
- (E) Where pier heights exceed 36 inches in height, the diagonal strap shall be connected to the opposite I-Beam (see Figure 1).

DIAGONAL STRAP PLACEMENT FOR PIERS EXCEEDING 36 INCHES IN HEIGHT

(Refer to other figures for depiction of proper anchor and stabilizer device installation.)

Figure 1

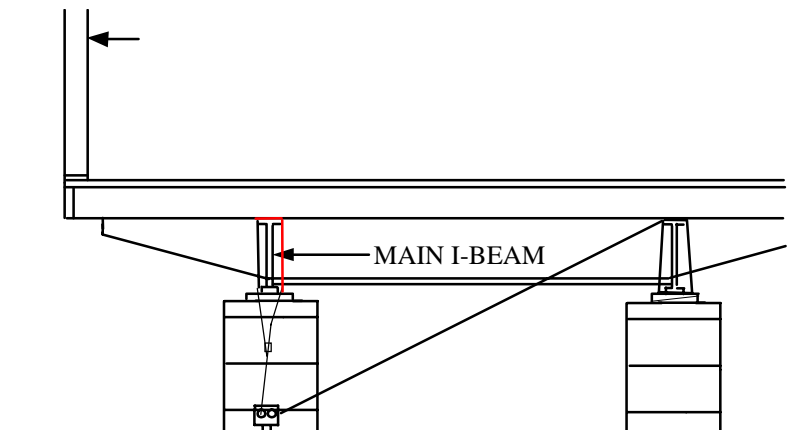


- (F) Where vertical tie locations are not easily discernable, the vertical ties may be connected to the main I-Beam rails and the anchor installed directly below that connection point. The diagonal tie must be connected to the opposite main I-Beam. In no case shall the distance between those ties exceed 5'-4" on-center (see Figure 2).

DIAGONAL AND VERTICAL TIES

(Refer to other figures for depiction of proper anchor and stabilizer device installation.)

Figure 2



- (3) Multi-section centerline anchoring requirements (Wind Zone II only):
- (A) centerline anchor ties are required for ALL Wind Zone II installations, regardless of the date the unit was manufactured,

when installation occurs on or after the effective date of these rules.

- (B) factory installed centerline vertical ties, brackets, buckles or any other connecting devices must be connected to a ground anchor. No additional anchors as described in subparagraph (D) of this paragraph are required.
- (C) to avoid obstructions and/or piers and footers, the anchor may be offset up to 12 inches perpendicular to the centerline.
- (D) where factory preparations do not exist, install anchors and angle iron brackets at each side of mating line openings wider than 48 inches per table 5B (see Figure 5B for detail).
 - (i) Where equal spans exist opposite each other (i.e., each section), a double bracket assembly may be used. The maximum opening is per table 5B. Total uplift load may not exceed the anchor and/or strap capacity (i.e., 3150 pounds).
 - (ii) the angle iron bracket is minimum 11 gauge. The holes for the lag screws are a maximum of 4 inches apart.
 - (iii) lag screws/bolts are minimum 5/16 x 3 inches, full thread.
- (4) For openings separated by a wall or post 16 inches or less in width, the opening span is the total of the spans on each side of the wall/post.

(f) Bracket Installation.

- (1) Table 5B: Maximum Centerline wall opening for column uplift brackets (see figure 5B for typical installation details).

----- Maximum opening based on floor widths -----

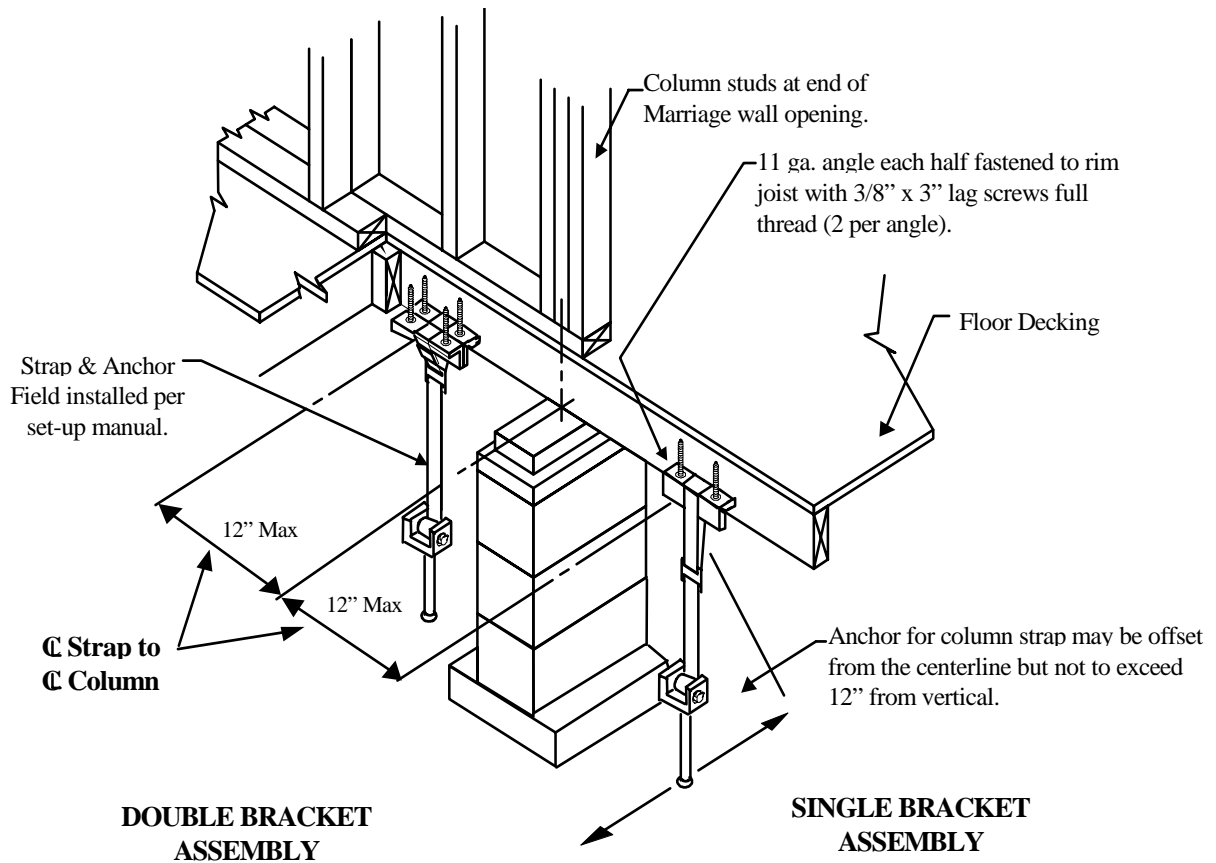
	12 Wide (140"max)	14 Wide (164"max.)	16 Wide (186" max.)	18 Wide (210" max.)
One Single Bracket (2-lags) either side of column.	17'-6"	15'-0"	13'-3"	11'-9"
Two Single Brackets (2-lags each), one each side of column.	35'-0"	30'-0"	26'-6"	23'-6"
One Double Bracket (4-lags) either side of column. Spans are on both sections, opposite each other.	31'-9"	27'-2"	23'-11"	21'-2"
*Two Double Brackets (4-lags) either side of column. Spans are on both sections, opposite each other.	40'-0"	40'-0"	40'-0"	40'-0"
* For openings larger than 40'-0", consult a local licensed professional engineer or architect.				

- (2) Figure 5B shows both single and double bracket assemblies for illustration purposes only. Use a single bracket for openings which exist on one section only. Use double bracket where openings are opposite each other on two sections of the home.

- (3) When only one bracket assembly is required, it may be installed on either side of the column/opening stud(s), but no more than 12 inches from the column or opening stud(s). (See examples in figure 5C.)
- (4) When two bracket assemblies are required, they must be installed on each side of the column/opening stud(s), but no more than 12 inches from the column/opening stud(s) (see examples in figure 5C), and they must be angled away from each other a minimum of 12 inches.

TYPICAL INSTALLATION DETAILS

Figure 5B

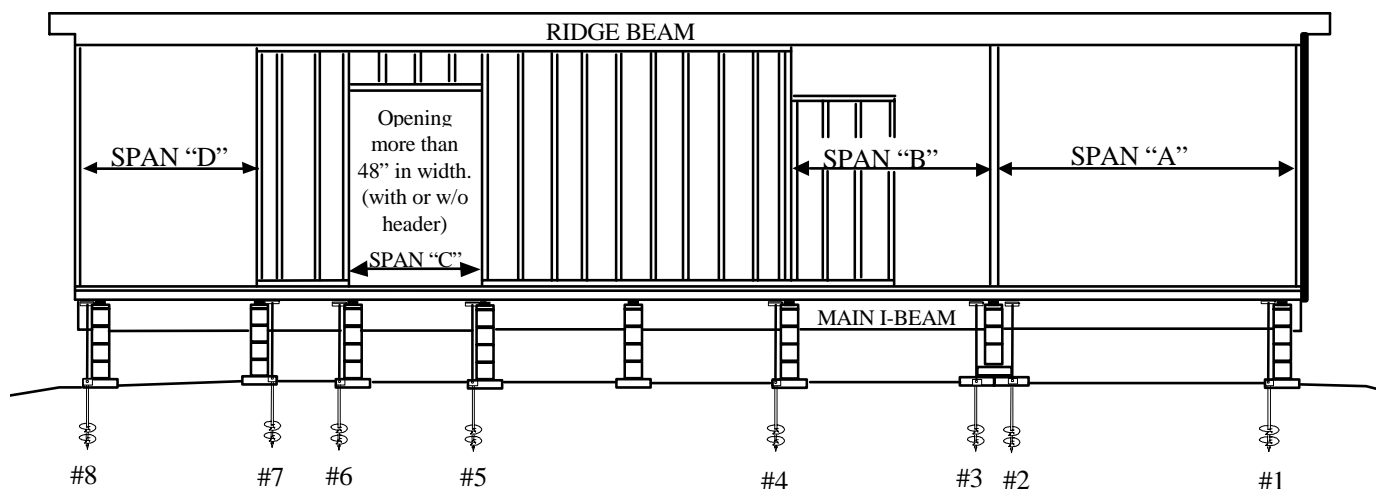


Note: Anchors, straps, buckles and crimps shown are for illustration purposes only. All components used must be approved by the department.

- (5) Example: A double section unit with each section being 14 feet wide;
 - (A) Span "A" is 18'-0", matching span both sections;
 - (B) Span "B" is 14'-8", matching span both sections;
 - (C) Span "C" is 6'-8", matching span both sections; and
 - (D) Span "D" is 13'-4", one side only.

ANCHOR SPAN

Figure 5C



Determine type and number of brackets needed at each opening.

- Anchor #1:** From Table 5B, row 3 in the 14 ft. wide column, the maximum span for this condition is 27'-2". Actual span is 18'-0" =====> one double bracket is ok.
- Anchor #2 & #3:** Since the wall between spans "A" and "B" is less than 16 inches in width the two spans must be added together to determine number and type of brackets.
Span "A" (18'-0") + Span "B" (14'-8") = 32'-8"
From table 5B, row 3 in the 14 ft. wide column, the maximum span for one double bracket is 27'-2". Actual span is 32'-8" =====> two double brackets required.
- Anchor #4:** Span "B" is on both sections @ 14'-8". From table 5B, row 3 in the 14 ft. wide column, the maximum span for one double bracket is 27'-2" =====> ok
- Anchor #5:** Same as anchor # 4, except for 6'-8" span.
- Anchor #6 & #7:** This span is on one section only. Therefore a single bracket may be used. From table 5B, row 1 in the 14 ft. wide column, the maximum span for a single bracket is 15'-0". Actual span is 13'-8" =====> single bracket is ok.

(6) Longitudinal ties:

- (A) Longitudinal ties are required for ALL wind zone installations, regardless of the date of manufacture, when installation occurs after the effective date of these rules.
- (B) Longitudinal ties are designed to prevent lateral movement along the length of the home.
- (C) When conventional anchors and straps are used, install the required number of ties per Table 4A or Table 5A as appropriate. The strap(s) may be connected or wrapped around front or rear chassis header members, around existing cross members or spring hangers. A strap must be within 3 inches of where the cross member attaches to the main I-beam. Alternatively, brackets to receive the strap(s) may be welded to the bottom flange of the

main I-beams. The location of the connection points along the length of the I-beams are not critical, as long as the number of longitudinal ties required for each end of each home section are installed with their pull in opposite directions. No two anchors shall be within 4 ft of each other. No two ties shall be attached to the same structural member of the home, other than a main longitudinal frame member or a front or rear chassis header member.

- (D) Anchors require stabilizer plates when the anchor shaft is not in line with strap (plus or minus 10 degrees).

LONGITUDINAL TIES

Figure 1

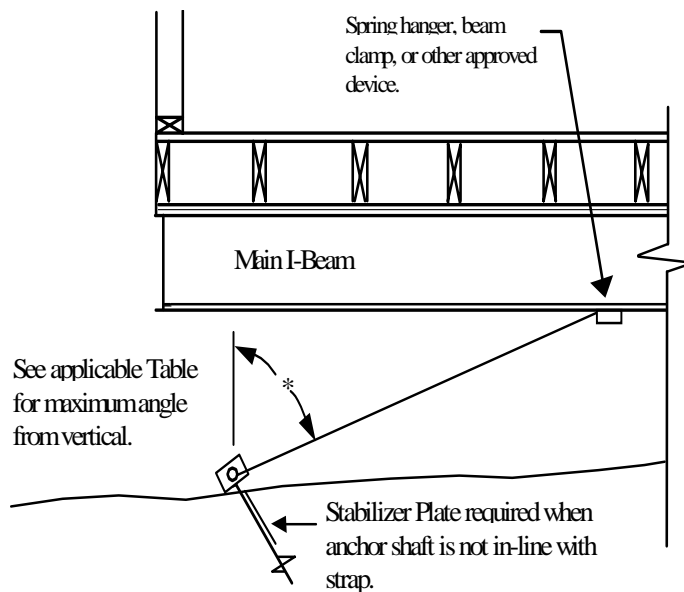


Figure 1: Connection to existing spring hangers, factory installed or site installed beam clamps.

Figure 2

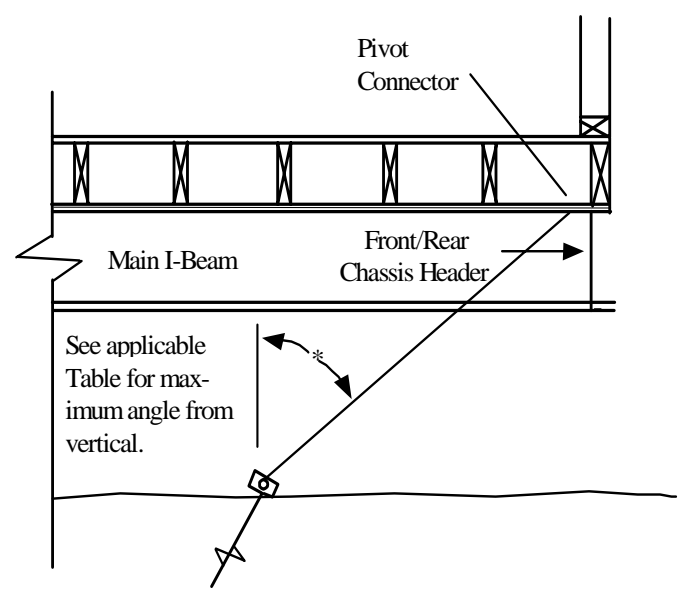


Figure 2: Connection to front or rear chassis headers. Strap must be installed within 12" of where the header member connects to the main I-beam.

§80.56. Multi-Section Connection Standards.

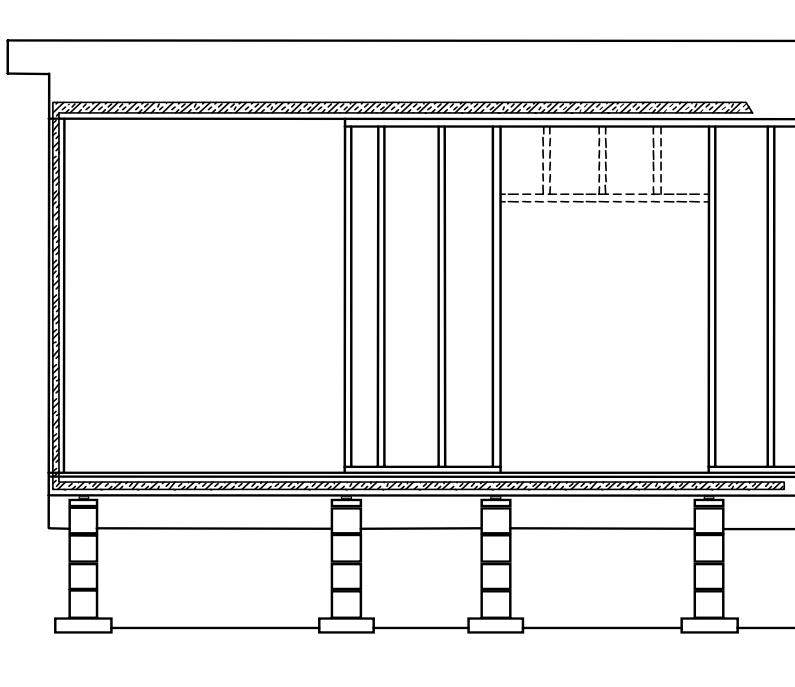
- (a) Air infiltration and water vapor migration at mating surfaces: Before positioning additional sections, the mating line surfaces along the floor, endwall and ceiling, require material or procedures to limit air infiltration and water vapor migration. The following are acceptable materials and/or procedures:
- (1) Expanding Foam: Foam may be used along surfaces that are accessible after the units have been joined. Where mating line walls line up between sections, non-porous materials must be installed prior to joining the units.

- (2) Caulking: Caulking may be used along surfaces that are accessible after the units have been joined. Where mating line walls line up between sections, non-porous materials must be installed prior to joining the units.
- (3) Non-porous gasket installed along the perimeter of all mating lines.
- (4) Insulation, carpet, carpet pad or other porous materials are not acceptable.

MATING LINE SURFACES

Figure 56(a)

Mating line surfaces are along the floor, up the front and rear endwalls and along the ceiling line.



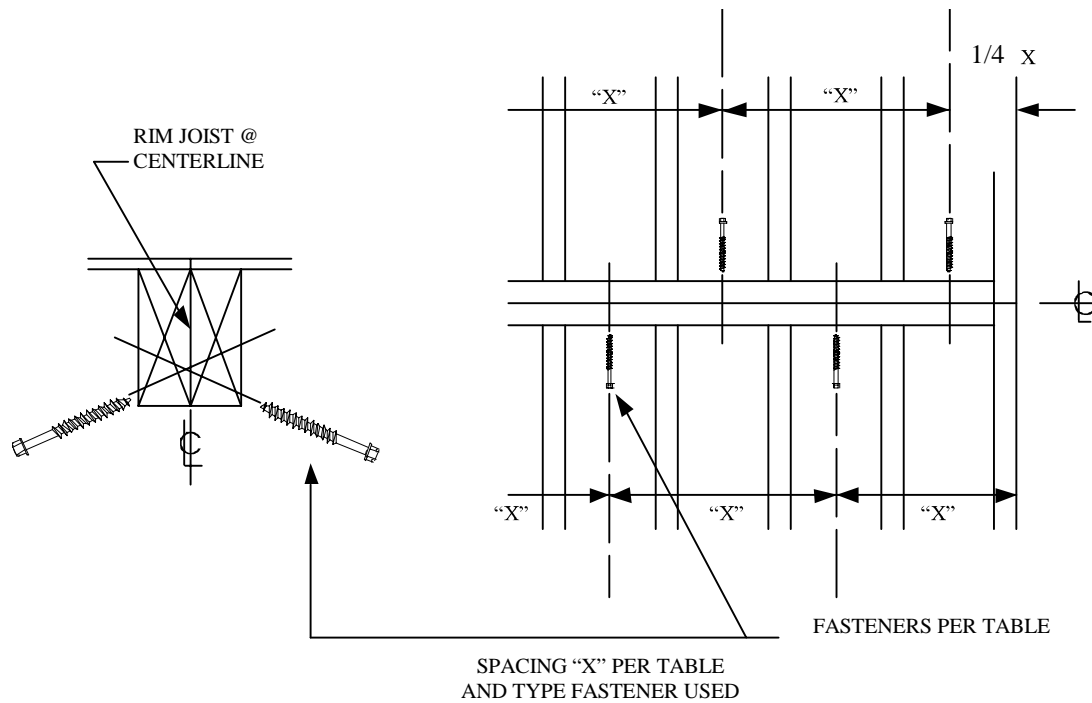
(b) Floor Connections:

- (1) gaps between floors up to 1-1/2 inches maximum which do not extend the full length of the floor may be filled with lumber, plywood or other suitable shimming materials. Fastener lengths in shimmed areas may need to be increased to provide minimum 1-1/4 inches penetration into opposite floor rim joist.
- (2) gaps less than 1/2 inch width need not be shimmed.
- (3) the floor assemblies of multi-section units must be fastened together. Fastener options and maximum spacings are listed in table 6A in paragraph (5) of this subsection.
- (4) any tears or damages to the bottom board due to fastener installation must be repaired.
- (5) Table 6A: Floor connections - Wind Zone I and II:

	min 5/16 lag screw	# 10 wood screw
Wind Zone I	max. 36"	max. 24"
Wind Zone II	max. 24"	max. 12"

FLOOR CONNECTIONS

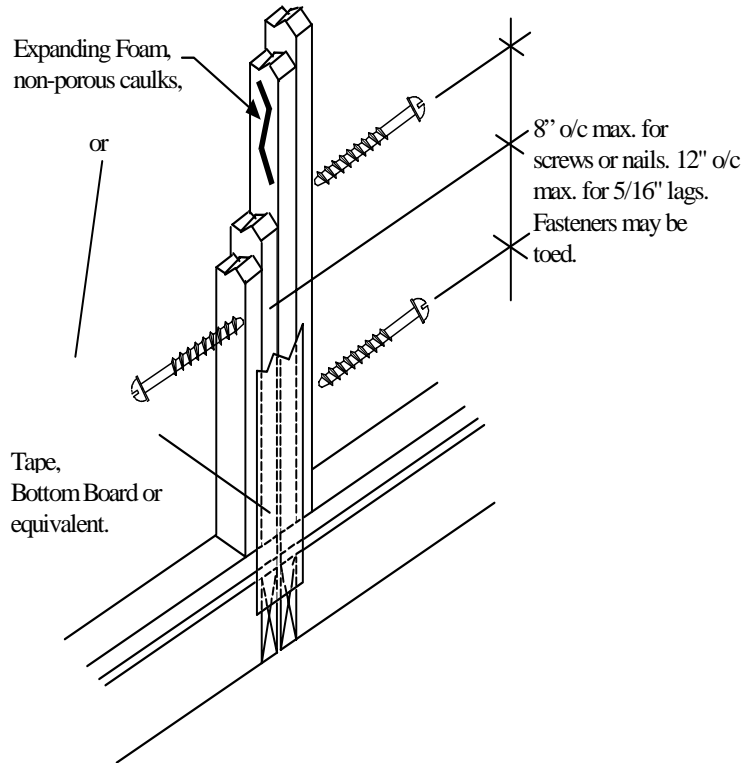
Figure 6A



(c) Endwall Connections:

- (1) endwalls must be fastened together at the mating line with minimum #8x4 inch wood screws or 16d nails at maximum 8 inches on-center or 12 inches on-center maximum for 5/16 lags; toed or driven straight; and
- (2) fastener length may need to be adjusted for gaps and/or toeing, to provide minimum 1-1/2 inch penetration into opposite endwall stud.

ENDWALL CONNECTIONS



(d) Roof Connection: *(Note: Fasteners must not be used to pull the sections together.)*

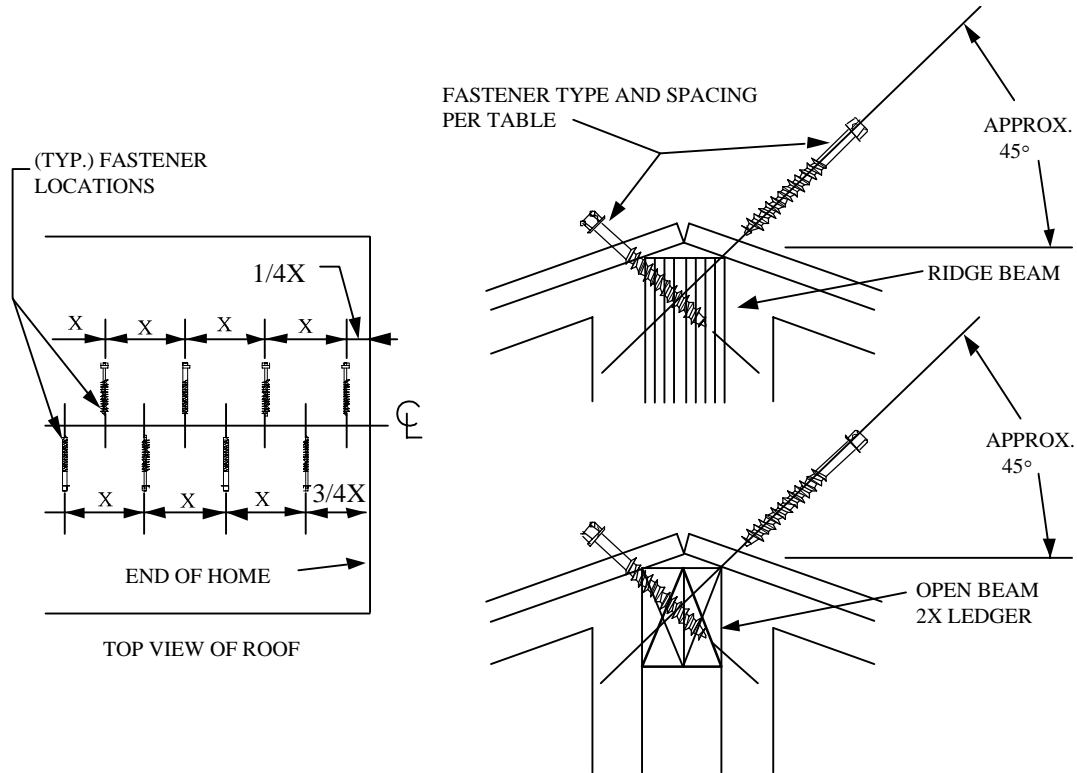
- (1) Roof shall be connected with the fasteners and spacings specified in Table 56(d)(3).
- (2) Gaps between the roof sections (at ridge beam and/or open beam ledgers) of up to 1-1/2 inches wide maximum which do not extend the full length of the roof must be filled with lumber and/or plywood shims. Gaps up to 1/2 inch need not be shimmed. The fastener length used in the shimmed area may need to be increased to provide a minimum 1-1/4 inch penetration into the adjacent roof structural member.
- (3) Table 56(d)(3): Roof Connection - Fastener type and spacing:

	----- maximum o.c. spacing (in) -----		
	3/8 Lag	1/4 Lag	#10 wood screw
Wind Zone I	36"	24"	24"
Wind Zone II	20"	16"	12"

(4) Figure 56(d)(4).

ROOF CONNECTION

Figure 56(d)(4)

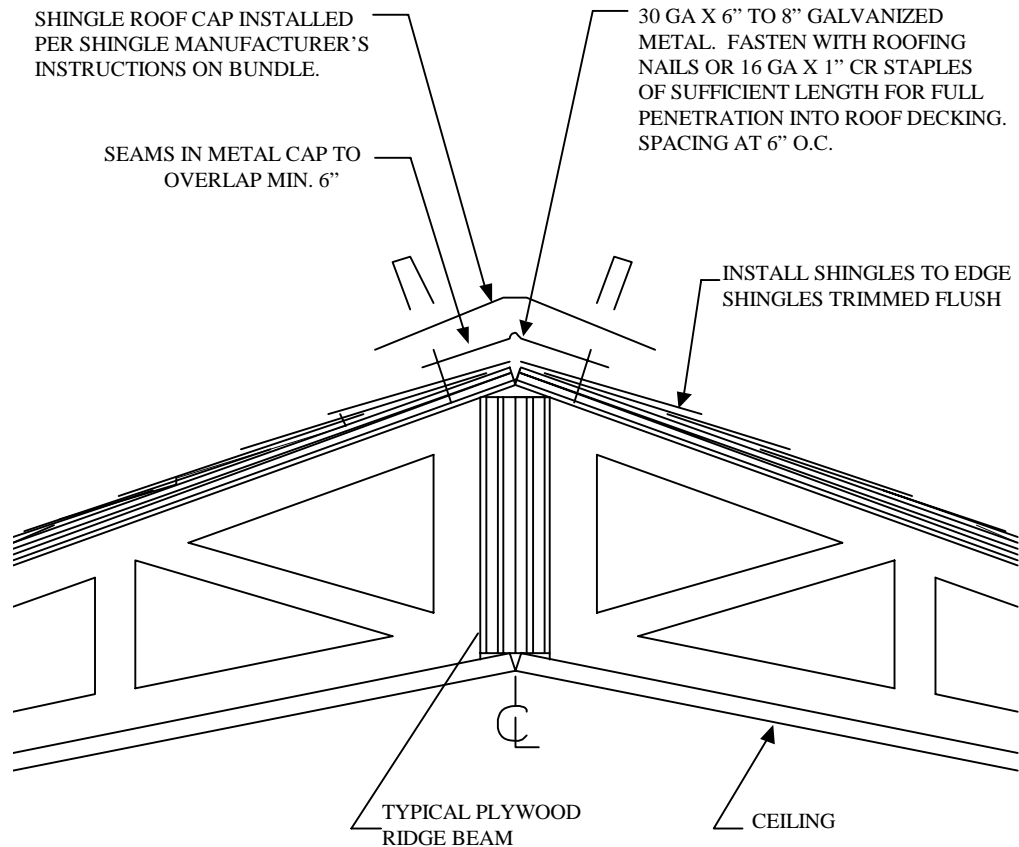


(e) Exterior Roof Close Up:

- (1) Ensure that shingles are installed to edge of roof decking at peak. Follow nailing instructions on the shingle wrapper. Note: Wind Zone II (high wind) installations require additional fasteners.
- (2) Before installing ridge cap shingles, a minimum 6 inch wide piece of 30 gauge galvanized flashing must be installed the length of the roof.
- (3) When flashing is not continuous, lap individual pieces a minimum of 6 inches.
- (4) Fasten flashing into roof sheathing with minimum 16 gauge staples with 1 inch crown or roofing nails of sufficient length to penetrate roof decking. Maximum fastener spacing is 6 inches on-center each roof section. Place fasteners a minimum of 3/4 inches along edge of flashing.
- (5) Install ridge shingles directly on top of flashing.

- (6) Check remainder of roof for any damaged or loose shingles, remove any shipping plastic or netting, wind deflectors, etc. Make sure to seal any fastener holes with roofing cement.

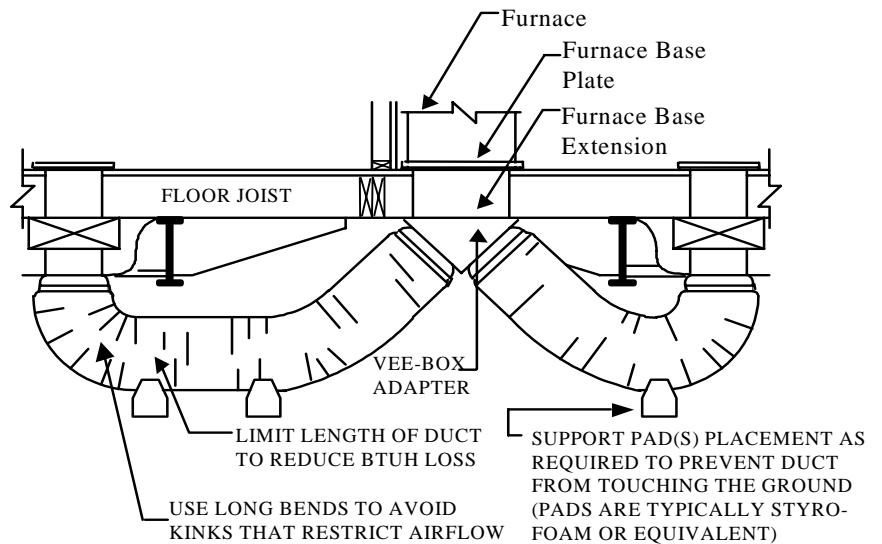
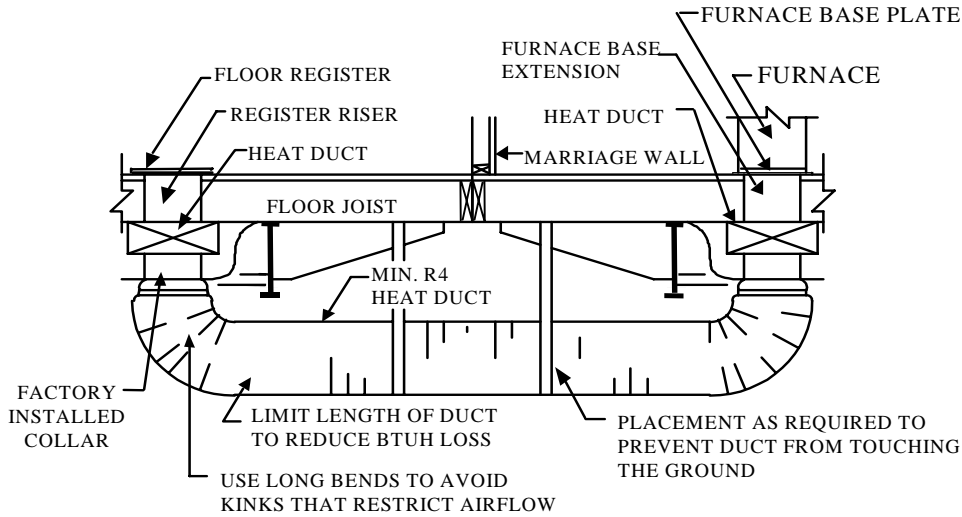
EXTERIOR ROOF CLOSE UP



- (f) Exterior Endwall Close Up: Cut closure material to the shape and size required and secure in place, starting from the bottom up, i.e.: bottom starter, vertical or horizontal siding, then roof overhang, soffit and fascia. All closure material should be fitted and sealed as required to protect the structure or interior from the elements.
- (g) HVAC (heat/cooling) Duct Crossover:
- (1) Crossover duct must be listed for EXTERIOR use.
 - (2) Duct R-value shall be a minimum of R-4.
 - (3) The duct must be supported 48 inches on-center (maximum) and must not be allowed to touch the ground. Either strapping, to hang the duct from the floor, or pads to support it off the ground are acceptable.

- (4) The duct to the collar or plenum connections must be secured with bands or straps approved for such use. Keep duct as straight as possible to avoid kinks or bends that may restrict the airflow. Extra length must be cut off.

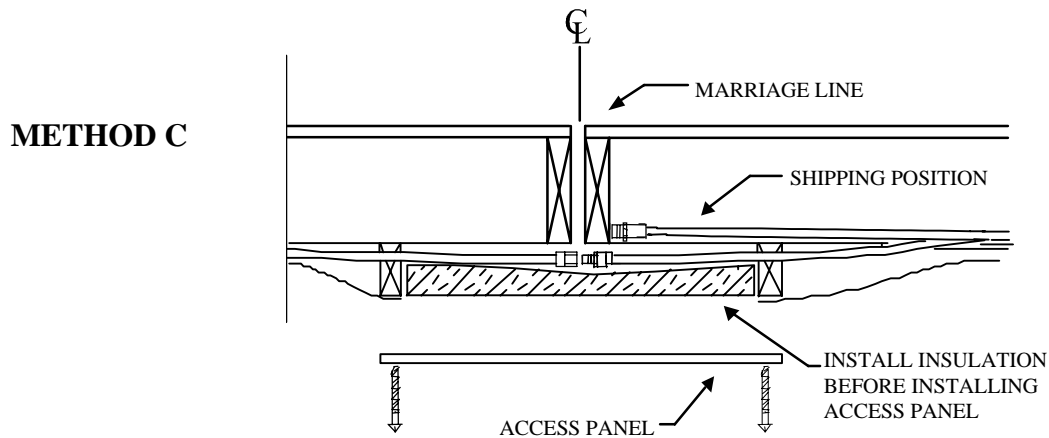
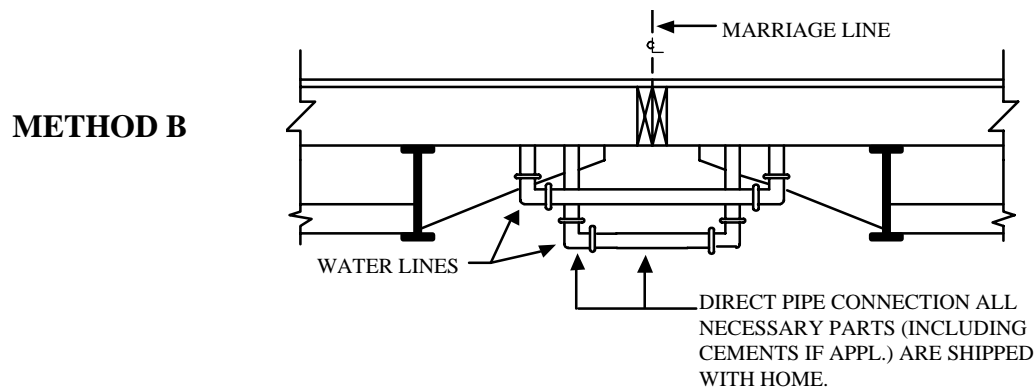
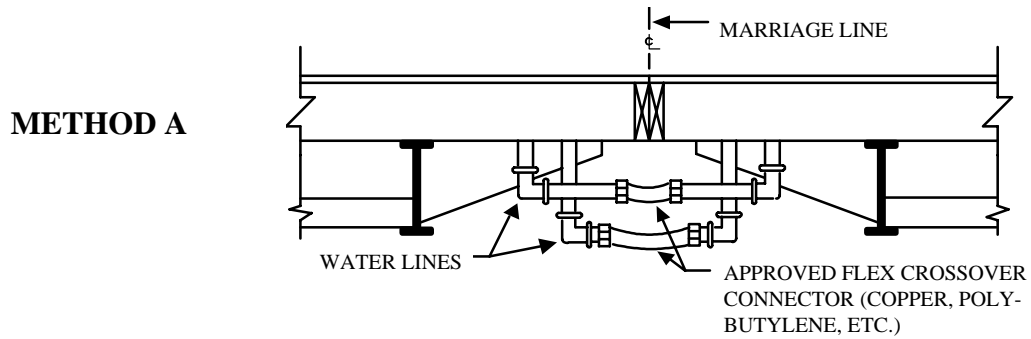
HVAC (HEAT/COOLING) DUCT CROSSOVER



(h) Water Crossover Connection (multi-sections only):

- (1) If there is water service to other sections, connect the water supply crossover lines as shown in the applicable detail.

MULTI-SECTION WATER CROSSOVER CONNECTIONS

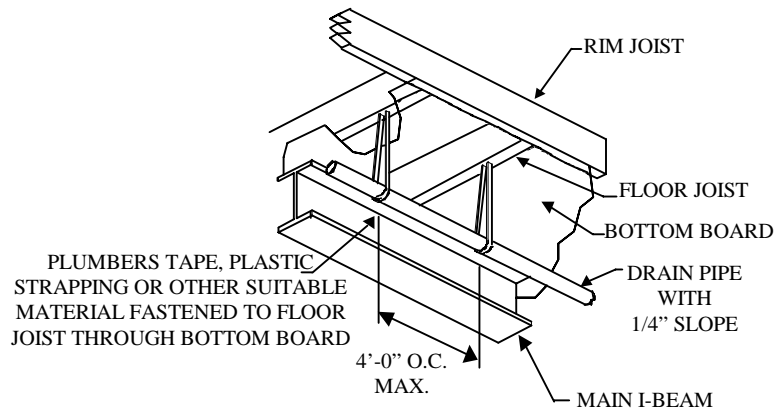
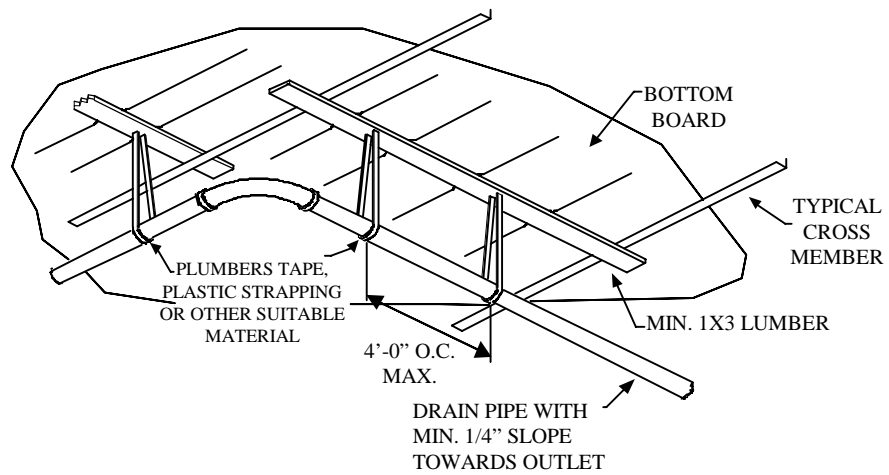
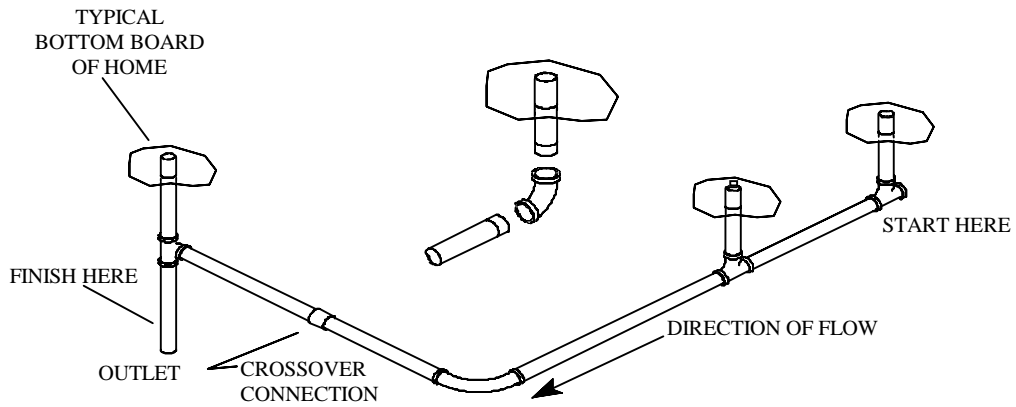


- (2) If the water crossover connection is not within the insulated floor envelopes, wrap the exposed water lines in insulation and secure with a good pressure sensitive tape or nonabrasive strap, or enclose the exposed portion with an insulated box.
- (3) If water piping at the inlet is exposed, a heat tape should be installed to prevent freezing. A heat tape receptacle has been provided near the water

inlet. When purchasing a heat tape, it must be listed for manufactured home use, and it must be installed per manufacturer's instructions.

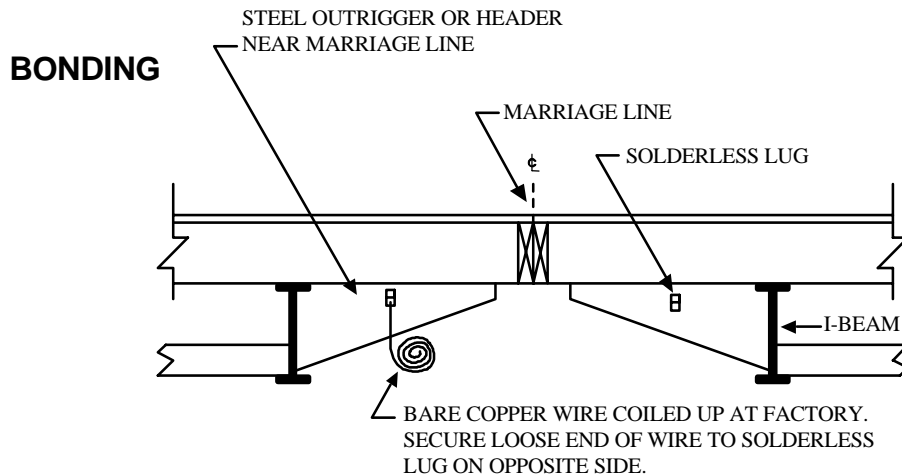
- (i) Drain, Waste and Vent System (DWV):
 - (1) Portions of the DWV system which are below the floor may not have been installed, to prevent damage to the piping during transport. Typically, the DWV layout is designed to terminate at a single connection point to connect to the on-site sewer system. For a new home where on-site DWV connections are not assembled per the manufacturer's instructions, the DWV system must be assembled in accordance with Part 3280 of the FMHCSS.
 - (2) The following guidelines apply:
 - (A) All portions of the DWV system shall be installed to provide a minimum of 1/4 inch slope per foot, in the direction of the flow.
 - (B) Changes in direction from vertical to horizontal, and horizontal to horizontal, shall be made using long sweep elbows and/or tees.
 - (C) All drain piping shall be supported at intervals not to exceed 4 feet on-center. The support may be either blocking or strapping. When strapping is used, it should be nonabrasive.
 - (D) Piping must be assembled with the appropriate cleaners, primers and solvents (note: both ABS and PVC systems are common, but require different adhesives). Be sure to follow the instructions of the product used.
 - (E) A cleanout must be installed at the upper (most remote) end of the floor piping system (see diagrams in subparagraph (F) in this paragraph).
 - (F) Typical details:

DRAIN, WASTE AND VENT FLOOR PIPING SYSTEM



- (j) Electrical Connections: Depending on the model and/or manufacturer of the home, electrical crossovers may be located in either the front end and/or rear end of the home. Check along mating line for other labeled access panels.
- (1) Crossover connections may be one of the following:
- (A) approved snap or plug-in type;
 - (B) junction boxes inside floor cavity (note: crossover wiring routed outside the floor cavity must be enclosed in conduit). If the boxes and/or covers are metal, they must be grounded by the use of the ground wire; or
 - (C) pigtail between receptacles/switches between sections (one circuit only).
- (2) Chassis Bonding: Each chassis shall be bonded to the adjacent chassis with a solid or stranded, green insulated or bare, number 8 copper conductor. The conductor is connected to the steel chassis with a solderless lug. *Alternate bonding: A 4 inch wide by 30 gauge continuous metal strap may be used as an alternate, when attached to the chassis members with two #8x 3/4 inch self tapping metal screws each end of the strap.*

CHASSIS BONDING

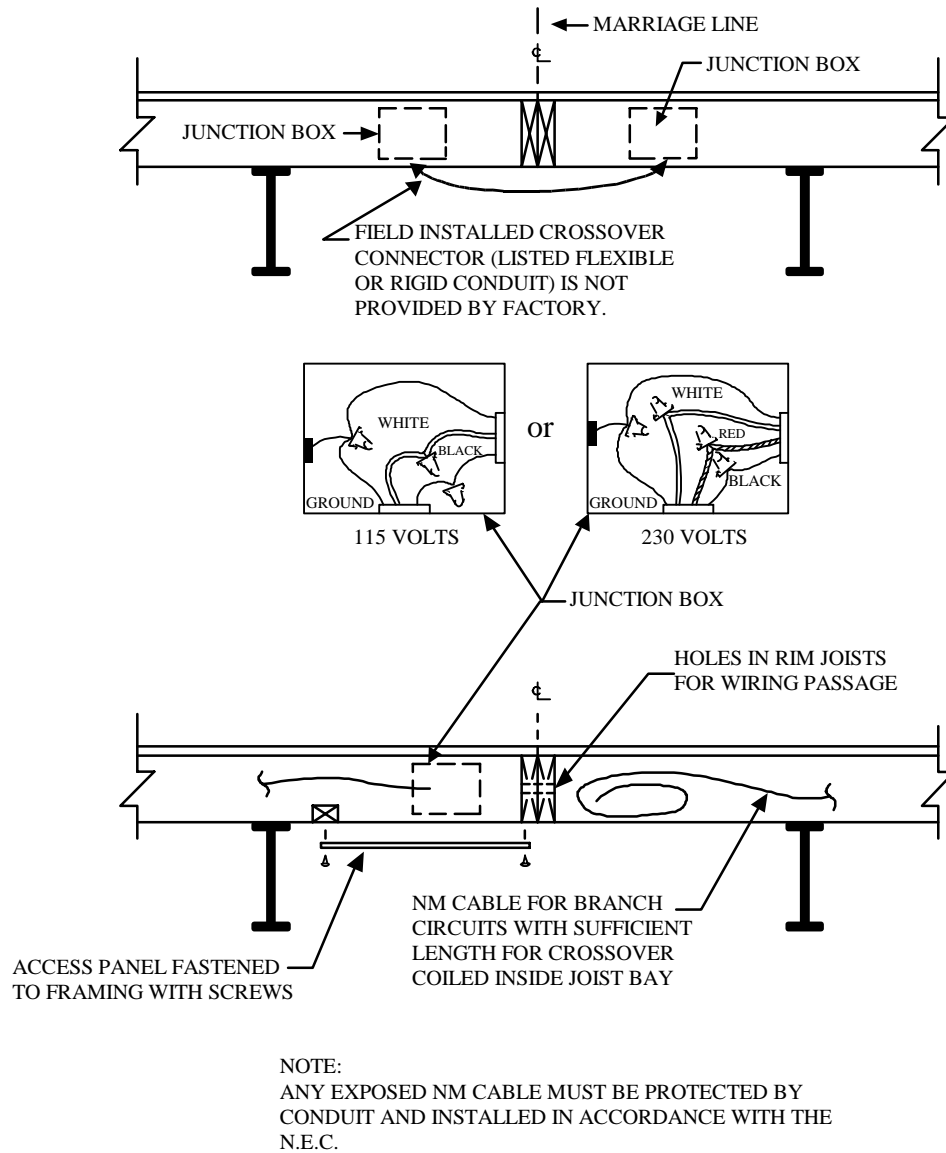


NOTE:

A 4" BONDING STRAP MAY BE USED INSTEAD OF COPPER WIRE BY ATTACHING THE STRAP TO BOTH UNITS WITH 2-#8X3/4" SELF-TAPPING METAL SCREWS ON EACH SIDE. BONDING STRAPS AND SCREWS FURNISHED BY THE MFR.

(3) typical crossover details:

ELECTRICAL CROSSOVER



(4) Shipped loose equipment:

- (A) Electrical equipment such as ceiling fans, chandeliers, exterior lights, etc., which may have been shipped loose, must be installed in accordance with the adopted National Electric Code (NEC). Connect all corresponding color coded or otherwise marked conductors per the applicable sections of the NEC.

- (B) Bonding strap removal: 240 volt appliances (range, dryer, etc.) shall have the bonding strap removed between the ground and the neutral conductors. Cords used to connect those appliances shall be four conductor, four prong.
- (5) Electrical testing: At the time of installation, the following tests must be performed:
- (A) all site installed or shipped loose fixtures shall be subjected to a polarity test to determine that the connections have been properly made.
 - (B) all grounding and bonding conductors installed or connected during the home installation shall be tested for continuity, and
 - (C) all electrical lights, equipment, ground fault circuit interrupters and appliances shall be subjected to an operational test to demonstrate that all equipment is connected and functioning properly.
- (6) Main panel box feeder connection: The main panel box is wired with the grounding system separated from the neutral system (4-wire feeder). The grounding bus in the panel must be connected through a properly sized green colored insulated conductor to the service entrance equipment (meter base) located on or adjacent to the home. Refer to the following table for proper feeder conductor sizes.

MAIN PANEL BOX FEEDER CONDUCTOR SIZES

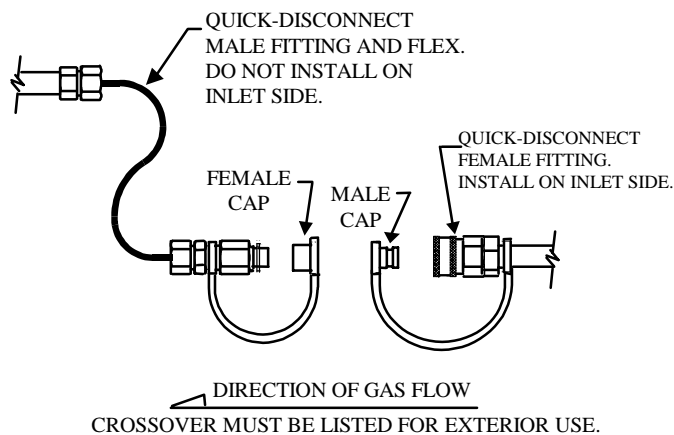
Main Breaker size (amps)	Raceway diameter	Red/Black (power)	White (neutral)	Green (grounding)
50	1	#6	#6	#8
100	1 1/4	#2 or #3	#2 or #3	#6
150	1 1/2	#1/0 or #2/0	#2	#6
200	2	#3/0	#2	#6

- (k) Fuel Gas Piping Systems:
- (1) Crossover Connections: All underfloor fuel gas pipe crossover connections shall be accessible and be made with the connectors supplied by the home manufacturer, or, if not available, with flexible connectors listed for exterior use and a listed quick disconnect (Method A), or a shut-off valve (Method B). When shut-off valve is used, it must be installed on the supply side of the gas piping system. The crossover connector must have a capacity rating (btuh) of at least the total btuh's of all appliances it serves.
 - (2) Testing: The fuel gas piping system shall be subjected to an air pressure test of no less than 6 ounces and no more than 8 ounces. While the gas piping system is pressurized with air, the appliance and crossover

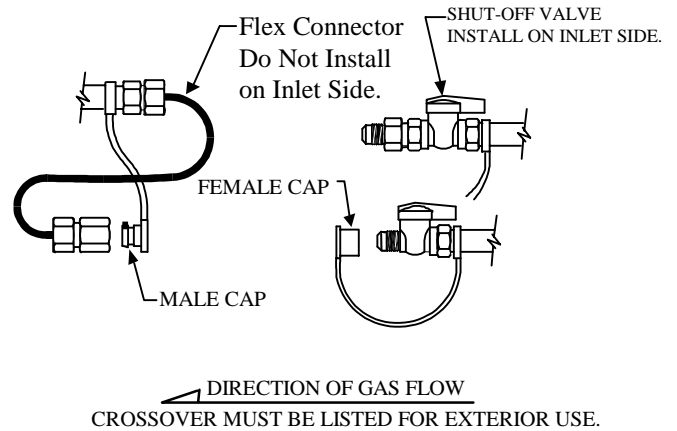
connections shall be tested for leakage with soapy water or bubble solution. This test is required of the person connecting the gas supply to the home, but may also be performed by the gas utility or supply company.

FUEL GAS PIPE CROSSOVER CONNECTIONS

Method A



Method B



§80.62. Approval of Stabilizing Components and Systems.

- (a) Installers shall only use prefabricated or site built stabilizing components and systems approved by the department, specified by the home manufacturer's DAPIA approved installation instructions, or specified for one or more homes in a particular area by a Texas licensed engineer or architect. Before granting approval for any prefabricated stabilizing component or system that will be used for more than one home, the department will require the component or system to be certified by an engineer, architect, or independent testing laboratory. The engineer or architect may be licensed in any state. The independent testing laboratory must have at least one engineer or architect licensed in at least one state. The producer or vendor of the component or system seeking department approval must send a request letter to the department with at least two copies of the certification report. The department may accept certification reports in electronic formats. The certification report copies must have letter size (8.5 inch by 11 inch) or smaller pages. In the request letter, the producer or vendor must grant the department the right to reproduce the certification report. If the department approves the certification report, the department shall place a stamp of approval on the copies, keep one copy, and return all other stamped copies to the producer or vendor. The stamp of approval will have the following information:

- (1) the title "Texas Department of Housing and Community Affairs";
- (2) the phrase "Approved stabilizing component or system"; and

- (3) date of approval.
- (b) The department will maintain a list of stabilizing components and systems that have been approved by the department for use in Texas.
 - (c) A report that certifies a stabilizing component or system shall contain, at the minimum, the following:
 - (1) the name, address, phone number, facsimile number, and trademark of the agency issuing the certification report or the name, signature, license number, state where licensed, address, phone number, facsimile number, and seal of the engineer or architect;
 - (2) date of certification report;
 - (3) the name, address, phone number, and facsimile number of the vendor or producer of the component or system;
 - (4) drawing or photograph of component or system;
 - (5) a description of the vendor's or producer's method for identifying the component or system;
 - (6) at least a 2 inch by 4 inch blank space for the department approval stamp on each page or the cover page of a bound document;
 - (7) a unique number or other identification for the certification report;
 - (8) the initial qualifying test report or information about how the report can be obtained;
 - (9) a description of the continuing validation system and the time period of the certification;
 - (10) installation instructions for the component or system that are shipped to each purchaser;
 - (11) a description of the working load capacity for the component or system. If the component is a ground anchor, the anchor shall be certified by a professional engineer, architect or nationally recognized testing laboratory as to its resistance, based on the maximum angle of diagonal tie and/or vertical tie loading and angle of anchor installation, and type of soil in which the anchor is to be installed;
 - (12) a description of all allowable conditions for use of the component or system such as (but not limited to) types of soil, weather exposure, atmospheric environment (rural, industrial, coastal), and characteristics of other associated components; and

- (13) a statement that the certifying independent testing laboratory, certifying engineer, or certifying architect certifies the component or system to be in conformance with a specific standard adopted by the department. This statement shall be on each page or shall be on the cover sheet of a bound document.
- (d) The department adopts the applicable standards and publications set forth in Chapter 43 of the International Code Council, 2000 International Residential Code for materials used to fabricate stabilizing components and systems. The department adopts the stabilizing component destruction test failure criteria of the FMHCSS (24 CFR, Part 3280) and the 2000 International Residential Code, Appendix E.
- (e) Applicable reports of the following organizations are acceptable as certification reports: National Evaluation Service, Inc.; International Conference of Building Officials (ICBO) Evaluation Service, Inc.; Southern Building Code Congress International (SBCCI) Public Safety Testing and Evaluation Services, Inc.; Building Officials and Code Administrators International (BOCA) Evaluation Reports, Inc.; the International Code Council (ICC); or a successor of any of these organizations.
- (f) The department may withhold approval if the certification information:
- (1) is incomplete;
 - (2) does not conform to the rules of the department;
 - (3) contradicts the qualifying tests; or
 - (4) has contradictory statements.
- (g) Conditions that may cause the executive director to issue an administrative order that withdraws approval (or a renewal of approval) from a stabilizing component or system may include but are not limited to:
- (1) the engineer, architect, or independent testing laboratory withdraws the certification;
 - (2) the engineer, architect, or independent testing laboratory improperly certified the component or system;
 - (3) a significant characteristic of a device or system has been changed without a revision of the original certification;
 - (4) the producer distributes installation instructions that are substantively different from those in the certification or original qualifying tests;
 - (5) changes in the law, rules, or standards;

- (6) the continuing validation system for a component has been changed without a revision of the original certification;
 - (7) information provided by the original certification is obsolete;
 - (8) the department receives evidence that the component or system often fails to anchor or support the home, and
 - (9) the producer fails to provide test results after the department directs the producer to test the component or system. The test will be performed by a recognized independent testing laboratory under the observation of a qualified representative or designee of the department.
- (h) Notice of withdrawal of approval of a component or system must be given to all license holders.
- (i) The department's approval letters for stabilizing components and systems are valid for a period of ten (10) years or for the time period of certification, whichever is less. The approval letter expires at the end of the shorter period.
- (1) If the time period for certification exceeds the ten (10) year approval period, the producer of the stabilizing components and systems may apply for a renewal of the approval letter. The renewal shall be valid for an additional period:
 - (A) of ten (10) years; or
 - (B) if the time period of certification expires prior to the end of the ten (10) year period, for a lesser period ending with the expiration of the time period of certification.
 - (2) All department approval letters issued prior to the effective date of this section remain valid for a period of ten (10) years and expire ten (10) years following the effective date of this section.
- (j) The vendor or producer of the component or system must apply for a renewal letter at least ninety (90) calendar days prior to the date the approval letter expires and supply the information necessary for the department to issue a renewal letter. The department may issue a temporary renewal letter for a period of not more than six (6) months in order to have time to review all the information submitted by a producer or vendor. The contents of a renewal letter issued by the department are as follows:
- (1) conditions of the renewal with a description of the department approval stamp that will appear on the document shipped by the producer or vendor to purchasers;
 - (2) a unique number or other identification for the renewal letter;

- (3) the name, address, phone and facsimile number of the producer or vendor of the device or system;
 - (4) a description of the continuing validation system and the time period of the renewal;
 - (5) a reference to the document (single sheet or bound document) attached to the renewal letter which is shipped to each purchaser by the producer or vendor which includes:
 - (A) the name, address, phone and facsimile number of the vendor of the component or system;
 - (B) a description of the vendor's method of marking the component or system;
 - (C) drawing or photograph of component or system with a reference to the detailed drawing stamped by an engineer or architect;
 - (D) installation instructions;
 - (E) reference to the initial qualifying test report;
 - (F) reference to a previous Texas approval letter;
 - (G) at least a 2 inch by 4 inch blank space for the department approval stamp on each page or a cover page for a bound document;
 - (H) description of method for identifying the soil for ground anchors and footings;
 - (I) a description of the working load capacity for the component or system;
 - (J) if the component is a ground anchor, a certification by a professional engineer, architect, or nationally recognized testing laboratory as to its resistance, based on the maximum angle of diagonal tie and/or vertical tie loading and angle of anchor installation, and type of soil in which the anchor is to be installed; and
 - (K) a description of all allowable conditions for use of the component or system such as (but not limited to) types of soil, weather exposure, atmospheric environment (rural, industrial, coastal), and characteristics of other associated devices.
- (k) Approved components and systems sold to retailers or installers prior to the expiration of the applicable approval letter or renewal letter may be used and installed for a period of not more than ninety (90) calendar days following the date of expiration of the approval or renewal letter.

- (l) In December of each year, the department shall mail to all licensed installers, retailers, and manufacturers a list of all approved components and systems and the date on which the approval letter for each component or system expires.

§80.63. *Other Materials and Methods for Manufactured Homes.*

- (a) Unique stabilizing systems to be used on more than one home, designed for a particular area with similar soil properties according to county soil survey maps, must be approved by an engineer or architect, licensed in Texas, or the home manufacturer's DAPIA.
- (b) Stabilizing components or systems which are unique for one identified home at one identified location shall be designed by an engineer or architect, licensed in Texas, and the design documents shall be filed with the installation report. No department approval letter is required.
- (c) All stabilizing components must be resistant to all effects of weathering including that encountered along the Texas gulf coast. Nonconcrete stabilizing components and systems for use within 1500 feet of the coastline shall be specifically certified for this use. Preservation treated (PT) wood components shall conform to the applicable standards issued by the American Wood Preserver's Association and referenced by the 2000 International Residential Code.
- (d) All stabilizing components shall be installed in accordance with the provisions of this chapter and to resist overturning and lateral movement of the home.
- (e) The following types of stabilizing systems are special stabilizing systems, not associated with a particular location, and shall meet the requirements of subsection (f) of this section:
 - (1) a preapproved permanent foundation system;
 - (2) a stabilizing system with piers over 60 inches high (measured from top of footing to top of the last concrete block) which have diagonal tie angles over 50 degrees;
 - (3) a stabilizing system designed to resist damage due to flooding;
 - (4) a stabilizing system for manufactured homes located within 1500 feet of the coastline, unless approved by the manufacturer's DAPIA; and
 - (5) a site built stabilizing component or system with materials and methods in accordance with the applicable standards and publications set forth in Chapter 43 of the 2000 International Residential Code.
- (f) This subsection refers only to special systems as listed in subsection (e) of this section. A Texas licensed engineer or architect must design a special stabilizing system. If a special stabilizing component, device, or system is not designed for a particular area with similar soil properties according to county soil survey maps, the department must also approve the stabilization system drawing, photographs,

calculations, test reports, and specifications before any home is installed on the special stabilizing system. The department will issue a letter that references the submitted documents and describes any conditions of approval. An approval letter will have an expiration date. The department may renew an approval letter for a special stabilizing system if the owner of the documents describing the special stabilizing system notifies the department and requests another review. The department will review to determine if the special stabilizing system still conforms to present standards. DAPIA approved stabilizing system designs with appropriate effective dates for specified makes and models of homes shall not require an approval letter from the department. The installer shall send the department a copy of the DAPIA approved stabilizing system design before the home is installed. The prefabricated components and stabilizing systems specified by the DAPIA approved stabilizing system shall be installed in accordance with the applicable conditions and instructions for the components and systems.

§80.64. Procedures for Alterations.

- (a) No alteration shall be made by a retailer or installer without prior approval of the department. A written request for any alteration approval shall be filed with the department, except for the alterations which are pre-approved as described in this section.
 - (1) If the alteration is not approved, the department will notify the retailer in writing of the reason for the refusal. If additional information is necessary to complete the evaluation of the request for approval, the retailer shall furnish any additional information deemed necessary by the department.
 - (2) If the alteration is approved, the alteration shall be completed in accordance with the department's approval and any requirements made as a condition of the approval. Following completion of an approved alteration, the retailer shall notify the department in writing, and the department may accept the certification of the retailer that the alteration was made as approved. The department may inspect the home, as altered, to assure compliance with the applicable standards.
- (b) The installation of self-contained or split system ("A" coil) comfort cooling equipment and devices shall not be considered an alteration, if the installation is performed in accordance with the specific instructions of the manufacturer of the home as approved by the manufacturer's DAPIA, and if the specific equipment and devices used have been expressly approved by the manufacturer's DAPIA.
- (c) Other than as set forth in subsection (b) of this section, the installation of self-contained or split system ("A" coil) comfort cooling equipment and devices is an alteration and is pre-approved if done by a state licensed air conditioning contractor.

- (d) If the sale of a home includes air conditioning, the selling retailer shall maintain in the sales file a record of the name and license number of the air conditioning contractor which installed the air conditioning system.

§80.66. *Rebuilding or Repairing a "Salvaged" Manufactured Home.*

- (a) Any home which has sustained sufficient damage to be declared salvage as defined in §8 of the Standards Act, may be rebuilt/repared for purposes of issuance of a manufactured home document of title at the option of the department after inspection in accordance with department procedures. Notification in writing to the department at its Austin headquarter's office shall be required before rebuilding/repair begins.
- (b) The rebuilder must:
 - (1) notify the department in writing ten (10) working days before rebuilding (or monthly for continuous activity) and provide the following, if available:
 - (A) HUD or Texas Seal number;
 - (B) data plate and comfort cooling certificate information (applicable wind and roof load zones, manufacturer's name and address, home model, list of appliance models, home production date, thermal zones, transmission coefficients, furnace certification temperatures, and duct capacity for cooling);
 - (C) copy of salvage declaration report;
 - (D) description of damage;
 - (E) description of cause of damage (water, wind, impact, fire, etc.); and
 - (F) location of home during rebuilding.
 - (2) provide a plan for rebuilding, sealed by a licensed professional engineer, that contains the following:
 - (A) drawings and specifications that describe the rebuilding;
 - (B) if more than one home is rebuilt in any one (1) month period, then a quality assurance manual that describes the following:
 - (i) system testing;
 - (ii) inspection process of cavities before concealment; and
 - (iii) record keeping.

- (C) list of new parts and appliances;
 - (D) list of reused or salvaged parts and appliances; and
 - (E) rebuilder's data plate (if applicable).
- (3) notify the department when concealed cavities will be exposed for department inspectors;
 - (4) remove damaged material and equipment;
 - (5) add new or used materials and equipment;
 - (6) repair all defects; and
 - (7) repair and test all systems.
- (c) The department may schedule inspections of the home during the rebuilding process.
 - (d) Any person who purchased a rebuilt manufactured home and received a salvage title as evidence of ownership after June 18, 1987, may be issued a document of title upon application to the department.
 - (e) A manufactured home which has not sustained sufficient damage to be declared salvage may be refurbished to its original structural configuration so that it is habitable as defined by §8 of the Standards Act.

SUBCHAPTER E. GENERAL REQUIREMENTS

§80.119. Installation Responsibilities.

- (a) For new manufactured homes, the retailer is the installer and must warrant the proper installation of the home. If the retailer subcontracts with an independent licensed installer, then the subcontractor is jointly and severally liable for the portion of the installation that the subcontractor performed.
- (b) For used manufactured homes, the person contracting with the consumer for the installation of the home is the installer and must warrant the proper installation of the home. If the contracting installer subcontracts with an independent licensed installer, then the subcontractor is jointly and severally liable for the portion of the installation that the subcontractor performed. The contracting installer is responsible to furnish the consumer with the installation warranty and site preparation notice. All verification and copies of the installation warranty and site preparation notice must be maintained in the installer's installation file for a period of no fewer than six (6) years from the date of installation.
 - (1) The person contracting directly with the consumer for only the transportation of the used home to a manufactured home site is not an installer if the person does not contract to perform or perform any

installation functions. In this case, the installer is the person that contracts for the construction of the foundation systems, whether temporary or permanent, and the placement and erection of the used home and its components on the foundation system.

- (2) The selling retailer may sell a used home and deliver possession to the consumer at the sales location (e.g. F.O.B. the sales location). In this case, the retailer shall not perform any installation functions nor transport the home to the home site.
- (c) The installer is fully responsible for the complete installation even though the installer may subcontract certain installation functions to independent contractors pursuant to §7(i) of the Standards Act. It is unlawful for a subcontractor who is acting as an agent for a licensed installer to advertise and/or offer installation services to any person unless the licensed installer's name appears prominently in the advertisement.
- (d) The sale of a new or used home by a retailer which includes an agreement to deliver the home and install the home at the home site is not completed until possession of the home is tendered to the consumer at the home site.
- (e) Electrical, fuel, mechanical, and plumbing system crossover connections for multi-section homes, and completions of drain lines underneath all homes in accordance with DAPIA approved on-site assembly drawings are installer responsibilities and cannot be excluded by wording of the installation contract. The installation of air conditioning at the home site must be performed by a licensed air conditioning contractor. The installation and ventilation of skirting or other material that encloses the crawl space underneath a manufactured home is an installer responsibility, if it is part of the sales or installation contract.
- (f) For all secondary moves (where there is not title transfer) the Notice of Installation Affidavit and the required fee must be submitted to the department within ten (10) working days after the installation is completed.
- (g) When the installer selects the department to inspect the permanent foundation before concealment, the installer shall file an application to install a manufactured home on a permanent foundation on a form approved by the department. The \$100 fee for the permanent foundation installation report shall be forwarded with the application. After the department inspects the permanent foundation and indicates acceptance of the permanent foundation on the form, the title company, attorney, retailer, or retailer's agent later files the Notice of Installation Affidavit, including a copy of the form, with the public land records of the county and forwards a copy to the department. The \$100 reporting fee does not have to be paid to the department again.
- (1) Unless the retailer/installer follows the home installation manual or a department pre-approved foundation systems, a copy of the foundation system drawing as stamped and signed by the licensed engineer or architect must be filed with the application.

- (2) The application must be received by the department at least ten (10) calendar days prior to the date on which construction of the permanent foundation system is scheduled to begin. No additional notice is required if the scheduled construction is delayed.
- (3) Installers shall provide a copy of the application and the foundation system drawing to the department inspector at the time an inspection is performed.
- (4) If the permanent foundation system design is approved by the authorized local government official and if the applicable building inspection fees are paid to the local government, the provisions of this section do not apply. The installer must, however, file a sworn statement of these facts with the Notice of Installation Affidavit.
- (5) If the permanent foundation for a home acquired and installed before January 1, 2002 is certified by the consumer/mortgagor and the lender/mortgagee in a real estate transaction, or is certified by the owner if there is no lien or the lien has been released, as having permanently affixed the structure to the real estate, the provisions of this section do not apply. The \$100 fee for the foundation installation must be paid and sent to the department along with the certification.
- (6) When specifically requested in writing by the department with a Department Real Estate Inspection Request Form, a contracting local government shall make and perform inspection and enforcement activities related to the construction of the foundation that permanently affixes a manufactured home to real estate. If the permanent foundation system and other site improvements are inspected and accepted by a contracting local government official before concealment, the local government records may be the verification required by Section 19A(c) of the Standards Act. The retailer/installer must file a Notice of Installation, including a copy of the local government inspection report, with the public land records of the county and forward a copy of the Notice of Installation to the department with the \$100 reporting fee.
- (7) If the site suitability, site preparation, site improvement, foundation construction, and installation for a home acquired on or after January 1, 2002 are verified by a retailer or installer, the provisions of this section do not apply, but the title company, attorney, retailer, or retailer's agent must file a Notice of Installation with the public land records of the county and forward a copy of the Notice of Installation to the department with the \$100 reporting fee.
- (h) If a manufactured home will be installed as personal property on land not owned by the consumer, the retailer/installer must complete the installation in accordance with the standards and requirements of this chapter and file the Notice of Installation Affidavit, marked as "Method A," and shall accompany title application within ten (10) working days after the installation is completed.

§80.120. *Manufacturer's Responsibilities.*

Manufacturers licensed with the department shall:

- (1) Submit the reports required by §80.203 of this title (relating to Manufacturer's Monthly Shipment Report);
- (2) Use the Manufacturer's Certificate of Origin (MCO) prescribed by the department for homes shipped to retailers in Texas; and
- (3) Supply to the department current and revised copies of approved installation manuals required by §80.51 of this title (relating to Manufactured Home Installation Requirements).

§80.121. *Retailer's Responsibilities.*

- (a) Manufactured housing retailers shall retain as part of each sales record and make available for copying and review by department personnel, upon request during normal business hours, the following information:
 - (1) For all manufactured homes:
 - (A) name and address of the purchaser and the date of purchase;
 - (B) verification that the purchaser received the Formaldehyde Health Notice required by §20 of the Standards Act;
 - (C) verification that the purchaser was advised of the Wind Zone, thermal zone, and roof load zone for which the home was constructed. If this information is not available for a used home, the purchaser will be advised of this fact and the used home will be disclosed as being constructed to Wind Zone I, thermal zone 1, and the roof load design for the South;
 - (D) verification that the purchaser received the Wind Zone notice as required by §80.50 of this title (relating to Wind Zone Regulations);
 - (E) verification that the purchaser received the site preparation notice;
 - (F) verification that the purchaser received written notice of the two (2) year limitation of notice for filing a claim with the department;
 - (G) verification that the Covenant Disclosure Notice Affidavit was provided to the purchaser prior to completing a credit application;
 - (H) copies of the Notice of Installation Affidavit and attached documents, for a manufactured home installed as personal property;

- (I) copies of the documents that substantiated the Notice of Installation Affidavit, for a manufactured home installed as real property;
 - (J) if the sale of a home includes air conditioning, the name and license number of the air conditioning contractor which installed the air conditioning system in accordance with §80.64(d) of this title (relating to Procedures for Alterations); and
 - (K) complete records of all alterations, in accordance with 24 CFR §3282.254.
- (2) For all new manufactured homes:
- (A) verification that a copy or the general description of the manufacturer's new home warranty and installation warranty were given to the consumer prior to the retailer's signing of any binding retail installment sales contract or other mutually binding agreement.
 - (B) verification that the manufacturer's new home warranty, consumer's manual, and retailer's installation warranty were delivered to the purchaser;
 - (C) verification of the date that the manufactured home information card was mailed to the manufacturer; and
 - (D) verification of delivery of conspicuous notice relating to defect or damage under the new home warranty as required by §14(l) of the Standards Act.
- (3) For used manufactured homes:
- (A) verification that the purchaser received the written 60-day habitability warranty;
 - (B) verification that a copy or the general description of the retailer's installation warranty were given to the consumer prior to signing of any binding retail installment sales contract or other mutually binding agreement, if the retailer contracted for the installation as a part of the sales agreement; and
 - (C) verification that the purchaser received the retailer's installation warranty if the retailer contracted for the installation as a part of the sales agreement.
- (b) All verifications and copies of notices required by this chapter must be maintained in the retailer's sales file, and the sales file must be maintained for a period of not less than six (6) years from the date of sale. If a retailer has more than one sales location and wishes to maintain all of its records at a central

location, it may do so provided that the retailer notifies the department more than sixty (60) days in advance that its records are being maintained at a central location by providing the address of such location. Absent such notice the records of a particular home must be maintained at the address where the home is in inventory and from which it was sold. If the retailer wishes to discontinue the centralization of its records or to change the address where its records are kept, the retailer must notify the department more than sixty (60) days in advance of the change of the location and the address and effective date of the new location.

- (c) For new homes or used homes manufactured on or after September 1, 1997, a manufactured housing license holder shall not contract for sale or installation of any home under which the home would be installed in a wind zone, thermal zone, or roof load zone other than that allowed on the data plate.

§80.122. Security Requirements.

- (a) For purposes of meeting the security requirements of §13 of the Standards Act, "other security" means an assignment of a certificate of deposit from or on a state or federally chartered bank or savings and loan association, properly signed and filed with the department. If other security is posted, the other security must be maintained in or by a banking institution located in this state. Such deposits are hereinafter referred to as security. Forms shall be furnished by the department for filing an assignment of such security. If such security is reduced by a claim, the license holder shall, within twenty (20) calendar days, make up the deficit as required by §13(i) of the Standards Act. No advance notice is required by the department to the license holder, but the department shall verify receipt of the deposit.
- (b) An assignment of such security filed with the department for compliance with §13 of the Standards Act, shall remain on file with the department for two (2) years after the person ceases doing business as a manufacturer, retailer, broker, rebuilder, or installer, or until such later time as the director may determine that no claims exist against the security. A bond or certificate of deposit may be filed in lieu of or to replace the assigned security. In the event a bond is filed to replace the assigned security and the initial effective date of the bond is the same or prior to the date of the assignment of security, such security or deposit may be immediately withdrawn upon request.
- (c) If the security requirement of a license holder is canceled during the annual license period, the license shall be automatically canceled on the date security coverage ceases.
- (d) To be exempt from the additional security as required by §13(f) of the Standards Act, a manufacturer who does not have a manufacturing plant in this state must have a bona fide service facility.
 - (1) The manufacturer shall provide the department with the name, address and phone number of the service facility, conspicuous notice of which shall be

provided to each Texas retailer who purchases homes from the manufacturer.

- (2) The service facility shall be capable of compliance with the provisions of Sub-part I of the procedural and enforcement regulations promulgated by HUD, and capable of providing warranty service within the reasonable time requirements set by the department, and shall be subject to periodic review and inspection by department personnel.
- (3) If the department determines that the requirements of paragraph (2) of this subsection have not been met, notice must be sent of that determination and of the requirement of an additional bond amount.

§80.123. License Requirements.

- (a) **Manufacturer.** Any person constructing or assembling new manufactured housing for sale, exchange, or lease purchase within this state shall be licensed as a manufacturer. An application shall be submitted on the form required by the department and shall be completed giving all the requested information. The application shall be accompanied by the required security, Articles of Incorporation or Assumed Name Certificate, and payment of the license fee. Every distinct corporate entity must be separately licensed. Each separate plant location operated by a license holder which is not on property which is contiguous to or located within 300 feet of the license holder's licensed manufacturing facility requires a separate license and security.
- (b) **Retailer.** Any person engaged in the business of buying for resale, selling, or exchanging manufactured homes or offering such for sale, exchange, or lease purchase to consumers shall be licensed as a retailer. An application for license shall be submitted on the form required by the department and be completed giving all the requested information. The application shall be accompanied by the required security, Articles of Incorporation or Assumed Name Certificate, and payment of the license fee. No person shall be considered a retailer unless engaged in the sale, exchange, or lease purchase of two or more manufactured homes to consumers in any consecutive twelve (12) month period. Sales, exchanges, or lease purchases by any employee or agent of a business entity are deemed to be sales of the business entity. Each separate sales location which is not on property which is contiguous to or located within 300 feet of a licensed sales location requires a separate license and security.
- (c) **Broker.**
 - (1) Any person engaged by one or more other persons to negotiate or offer to negotiate bargains or contracts for the sale, exchange, or lease purchase of a manufactured home to which a certificate or document of title has been issued and is outstanding shall be licensed as a manufactured housing broker. An application for license shall be submitted on the form required by the department and be completed giving all the requested information. The application shall be accompanied by the required security, Articles of

Incorporation or Assumed Name Certificate, and payment of the license fee. Each office location of the broker shall be licensed and proper security posted unless an office is on property which is contiguous to or located within 300 feet of an office licensed with the department.

- (2) A broker shall not maintain a location for the display of manufactured homes without being licensed as a retailer.
 - (3) Paragraphs (1) and (2) of this subsection shall not apply to the sale, exchange, or lease purchase of a manufactured home in a single real estate transaction when the home and land are sold as realty with improvements.
- (d) **Rebuilder.** Any person who desires to be licensed by the department to alter, repair, or otherwise rebuild a salvaged manufactured home, as that term is defined in §8(g) of the Standards Act, within this state, shall be licensed. An application shall be submitted on the form required by the department and shall be completed, giving all the requested information. The application shall be accompanied by the required license fee and Articles of Incorporation or Assumed Name Certificate.
- (e) **Installer.**
- (1) Every person who contracts to perform or performs installations shall submit the required security, complete the necessary license forms and any other information needed, and be issued a license prior to performing an installation function. The required license fee must accompany the application for license and Articles of Incorporation or Assumed Name Certificate.
 - (A) Each applicant for license shall have public liability insurance coverage, including completed operations coverage in an amount of not less than \$300,000 for bodily injury each occurrence and property damage insurance in an amount of not less than \$100,000 each occurrence. A combined single limit of \$300,000 will be considered to be in compliance with this section. If the applicant will be engaged in the transportation of manufactured housing incidental to the installation, the applicant must also have motor vehicle liability insurance coverage in an amount of not less than \$250,000 bodily injury each person, \$500,000 bodily injury each occurrence, \$100,000 property damage each occurrence. A combined single limit of \$500,000 will be considered to be in compliance with this section. Cargo insurance on each home or transportable section of not less than \$50,000 per towing motor vehicle is required.
 - (B) At the time of initial license and on renewal, a certificate of insurance must be filed with the department by the insurance carrier or its authorized agent certifying the kind, type and amount of insurance coverage and which provides for thirty (30) calendar days notice of cancellation. If the applicant does not provide proof

of the required motor vehicle liability insurance and the cargo coverage, the applicant must sign an affidavit that the applicant will not engage in any transportation of manufactured housing. If the applicant transports only his/her own property, and furnishes the department with an affidavit attesting to that fact, cargo coverage is not required.

- (C) An installer, also licensed as a retailer, may satisfy the insurance requirements by filing a certificate of insurance which shows that the license holder has motor vehicle-garage liability coverage including completed operations, and has dealer's physical damage (open lot) including transit insurance coverage in amounts not less than those set forth in subparagraph (A) of this paragraph.
 - (D) If the required insurance coverage expires or is canceled, and proof of replacement coverage is not received prior to the expiration date or date of cancellation, the installer's license is automatically terminated.
- (2) The installer responsible for the installation in accordance with the provisions of §80.119 of this title (relating to Installation Responsibilities) shall maintain a file containing a copy of the installation report as filed with the department.
- (f) Homeowner's Temporary Installation.
- (1) A homeowner may apply for a temporary license as an installer for the purpose of installing such owner's used manufactured home. The application shall be submitted on a form and contain such information as required by the department, and it must be accompanied by a cashier's check or money order payable to TDHCA in payment for the required fee. The issuance of a homeowner's temporary installer's license by the department shall not relieve any warranty responsibility required by the Standards Act except for damage or defects which may occur as a result of the installation of the home by the homeowner.
 - (2) The application must be accompanied by a certificate of insurance issued by the insurance carrier or its authorized agent to prove insurance coverage for the installation of the home as follows: public liability insurance coverage including completed operations in an amount of not less than \$300,000 for bodily injury each occurrence and property damage insurance in an amount of not less than \$100,000 each occurrence, for which a combined single limit of \$300,000 will be considered to be in compliance with this section; and motor vehicle liability insurance coverage of not less than \$250,000 bodily injury each person, \$500,000 bodily injury each occurrence and \$100,000 property damage each occurrence, for which a combined single limit of \$500,000 will be considered to be in compliance with this section. A copy of the home manufacturer's installation instructions, custom designed installation

instructions stamped by a Texas licensed professional engineer or architect, or an installation plan with details and specifications conforming to the state's generic standards shall accompany the application.

- (3) Upon approval of the application, the homeowner will be issued a temporary license for the installation of that home set out in the application and a temporary installer's (TI) number. The temporary license shall be valid only for thirty (30) calendar days.
- (4) The temporary installer's (TI) number must be displayed on the back of the home in letters and figures not less than 8 inches in height when the home is moved over the roads, streets, or highways in this state.

(g) Salesperson.

- (1) A salesperson means an individual, partnership, company, corporation, association, or other group who, for any form of compensation, sells or lease-purchases or offers to sell or lease-purchase manufactured housing to consumers as an employee or agent of a retailer or broker. A person or entity licensed as a retailer or broker with the department is not required to be licensed as a salesperson, and the owner of a sole proprietorship, a partner in a partnership, or an officer in a corporation which is duly licensed does not need a salesperson's license so long as such individual is listed in the ownership of the application filed with the department.
- (2) The salesperson is an agent of the retailer or broker for whom sales or lease-purchases, or offers, are made. This includes the general manager, sales manager, office manager or anyone involved in showing and offering homes for sale. The retailer or broker is liable and responsible for the acts or omissions of a salesperson in connection with the sale or lease-purchase of a manufactured home. It is a violation of the Standards Act and this chapter for a retailer or broker of manufactured housing to employ a salesperson who is not licensed with the department.
- (3) An application for license must be made by every salesperson. Each applicant for a salesperson's license must file with the department an application for license on a form provided by the department containing:
 - (A) the full legal name, permanent mailing address, date of birth, telephone number, Texas driver's license number or Texas identification number, and social security number of the applicant;
 - (B) places of employment of the applicant for the preceding three (3) years, providing the name of firm(s), address(es), and dates of employment;
 - (C) a statement that the applicant is the authorized agent for a manufactured housing retailer or broker; the statement shall be signed by the employer. If there is a change in name, address,

telephone, email address, or employer, an amended application must be submitted to the department within ten (10) calendar days of this change.

- (4) Except as may otherwise be authorized, the fee for a salesperson's license shall be submitted to the department in the form of a cashier's check or money order. Salesperson licenses shall be valid for a period of one (1) year from the date of issuance.
 - (5) Payment of the renewal fee shall be made by the salesperson and submitted to the department along with the completed license renewal notice prior to the expiration of the current license.
 - (6) Salespersons shall be issued a license card by the department containing effective date and license number. The salespersons shall be required to present a valid license card upon request.
- (h) Applicable License Holder Ownership Changes.
- (1) A license holder shall not change the location of a licensed business unless the license holder first files with the department:
 - (A) a written notification of the address of the new location;
 - (B) an endorsement to the bond reflecting the change of location; and
 - (C) original license.
 - (2) The change of location is not effective until the notification and endorsement are received by the department.
 - (3) For a change in ownership of less than fifty percent (50%) of the licensed business entity, no new license is required provided that the existing bond or other security continues in effect. However, the current Articles of Incorporation or Assumed Name Certificate must accompany the request.
 - (4) For a change in ownership of fifty percent (50%) or more, the license holder must file with the department, along with the appropriate fee and Articles of Incorporation or Assumed Name Certificate:
 - (A) a license addendum by the purchaser providing information as may be required by the department; and
 - (B) certification by the surety that the bond for the licensed business entity continues in effect after the change in ownership; or
 - (C) an application for a new license along with a new bond or other security and proof that the education requirements of §7(p) of the Standards Act, have been met.

- (i) Education Requirements. Effective September 1, 1987, all applicants for license, except salespersons, shall attend and complete 20 hours of educational instruction as required by the Standards Act and this chapter. A manufacturer may request a one-day in-plant training session be presented by the department in lieu of completing the instruction requirement. The license will not be issued until the owner, partner, corporate officer, or other person who will personally have the day-to-day management responsibility for the business location, or the salesperson to be licensed, attends and completes this educational requirement. This section shall not apply to the renewal of licenses, nor to the license of additional business locations.
- (j) Approving a training program conducted by a nonprofit educational institution or foundation as sanctioned by §7(q) of the Standards Act.
 - (1) An organization requesting approval to conduct the educational course required by the Standards Act must file a course approval request and course materials at least ninety (90) calendar days before the date of the first scheduled presentation. The director shall deliver a written notice of approval or disapproval no later than thirty (30) calendar days after receiving the request. If disapproved, the requestor may resubmit the course with corrections. The director will deliver a written notice of approval or disapproval no later than fifteen (15) calendar days after receiving the re-submittal.
 - (A) Approval of Training Program: The director will approve the training program if the requirements in this subsection are met and the materials submitted comply with the required course topics in paragraph (3) of this subsection.
 - (B) Disapproval of Training Program: The director will not approve the training program if the requirements are not met and the materials submitted do not comply with the required course topics in paragraph (3) of the subsection. The requestor will receive a written notice detailing the reason(s) for the disapproval. The requestor may re-submit the course with corrections as mentioned in paragraph (1) of this subsection.
 - (2) As a prerequisite for a license, the course must be twenty (20) hours in length and instruct the potential attendee in the law and consumer protection regulations.
 - (3) An educational training course shall consist of the following topics:
 - (A) Presentation of the Law and Rules.
 - (i) Article 5221f, the Standards Act
 - (ii) Chapter 80, Texas Administrative Code, Administrative Rules

- (iii) Texas Finance Code (applicable sections)
- (iv) Texas Transportation Code (applicable sections)
- (v) Federal Truth -in-Lending Act
- (vi) Property Code
- (B) Titling.
 - (i) Seals
 - (ii) Titling Fees
 - (iii) Titling Process
 - (iv) Description of Forms
 - (v) Title Cancellation and Reinstatement Process
- (C) Licensing.
 - (i) Manufacturer Application Form Requirements
 - (ii) Retailer Application Form Requirements
 - (iii) Installer Application Form Requirements
 - (iv) Salesperson Application Form Requirements
 - (v) Broker Application Form Requirements
 - (vi) Salvage/Rebuilder Application Form Requirements
 - (vii) Insurance and Bond Requirements
 - (viii) License Renewal and Revision Requirements
 - (ix) Sale of non-habitable homes
 - (x) Retailer and Installer Responsibilities
- (D) Installations.
 - (i) Anchoring, supporting, and multi-section connecting standards
 - (ii) Requirements for Completing the Installation Inspection Report Form
- (E) Consumer Complaints.

- (i) Consumer Complaint Process
 - (ii) Delivery of Warranty
 - (iii) Correction Requirements
 - (iv) Requirements for Completing the Complaint Forms
- (F) Dispute Resolution.
 - (i) Dispute Resolution Process
 - (ii) Texas Government Code, Chapter 2306
 - (iii) Federal Trade Commission Manual: "How to Advertise Consumer Credit"
 - (iv) Business & Commerce Code, Deceptive Trade Practices (applicable sections)
- (4) The training organization must provide each attendee of the class with written proof of having completed the entire 20 hour course.
- (5) The primary administrator for the training program will be notified by the director of changes to the Law and Rules and the date that the changes will become effective.
- (6) The director may revoke course approval for failure to comply with the standards or procedures set forth in this subsection. Unless surrendered or revoked for cause, the approval will be valid for a period of two (2) years.
- (k) Denial, Suspension, Renewal Denial, or Revocation of License Relating to Repeat Violations of the Standards Act or Department Rules.
 - (1) The following criteria shall be utilized to determine whether an applicant shall be issued or renewed a license if the applicant within the last two years from the date of the application has:
 - (A) two Agreed Final Orders of the same kind or type of violations; or
 - (B) one Final Order of the same kind or type of violations.
 - (2) If the department suspends, revokes, or denies renewal of a valid license, or denies a person's license or the opportunity to be examined for a license in accordance with this subsection because of the person's prior violations history, the department shall:
 - (A) notify the person in writing stating reasons for the suspension, revocation, renewal denial, denial of disqualification; and

- (B) offer the person the opportunity for a hearing on the prior violation history.
- (l) Denial, Suspension, Renewal Denial, or Revocation of License relating to the history of non-compliance with the Standards Act and Rules.
 - (1) The department will consider the background of the applicant, license holder, sole proprietor, partner officer, managing employee, chief executive officer, chief executive operating officer, and directors of a corporation.
 - (2) In the evaluation the department will consider the non-compliance history with the Standards Act and this chapter and will comply with the Texas Government Code, Chapter 2001, in proceeding with denial, suspension, or revocation of a license.
- (m) Denial, Suspension, Renewal Denial, or Revocation of License Relating to Criminal Background.
 - (1) The following criteria shall be utilized to determine whether an applicant shall be issued a license if that applicant states in his/her application for said license that he/she has a record of criminal convictions within five (5) years preceding the date of the application:
 - (A) the nature and seriousness of the crime;
 - (B) the relationship of the crime to the intended manufactured housing business activity;
 - (C) the extent to which a license holder might engage in further criminal activity of the same or similar type as that in which the applicant previously had been involved;
 - (D) the relationship of the crime to the ability, capacity, or fitness required to perform the duties and discharge the functions and responsibilities of the license holder's occupation or industry; and
 - (E) whether the offenses were defined as crimes of moral turpitude by statute or common law, from Class A misdemeanors to first, second, and third degree felonies carrying fines and/or imprisonment or both. Special emphasis shall be given to the crimes of robbery, burglary, theft, embezzlement, sexual assault, and conversion.
 - (2) In addition to the factors that may be considered in paragraph (1) of this subsection, the department, in determining the present fitness of a person who has been convicted of a crime, may consider the following:
 - (A) the extended nature of the person's past criminal activity;

- (B) the age of the person at the time of the commission of the crime;
 - (C) the amount of time that has elapsed since the person's last criminal conviction;
 - (D) the conduct and work activity of the person prior to and following the criminal conviction;
 - (E) evidence of the person's rehabilitation or attempted rehabilitation effort while incarcerated or following release; and
 - (F) other evidence of the person's present fitness, including letters of recommendation from prosecution, law enforcement, and correctional officers who prosecuted, arrested, or had custodial responsibility for the person; the sheriff and chief of police in the community where the person resides; and any other persons in contact with the convicted person.
- (3) It shall be the responsibility of the applicant to the extent possible to secure and provide to the department the recommendations of the prosecution, law enforcement, and correctional authorities as required by this subsection.
- (4) The applicant shall furnish proof in any form, as may be required by the department, that he/she has maintained a record of steady employment and has otherwise maintained a record of good conduct and has paid all outstanding court costs, supervision fees, fines, and restitution as may have been ordered in all criminal cases in which the applicant was convicted.
- (5) If the department suspends or revokes a valid license, or denies a person a license or the opportunity to be examined for a license in accordance with this subsection because of the person's prior conviction of a crime and the relationship of the crime to the license, the department shall:
- (A) notify the person in writing stating reasons for the suspension, revocation, denial, or disqualification; and
 - (B) offer the person the opportunity for a hearing on the record.
- (n) **License Renewal Requirements.** It is the responsibility of the license holder to renew the license prior to its expiration date.
- (1) The department will mail each license holder a renewal notice and application for renewal at least forty-five (45) calendar days prior to the date on which the current license expires. Notice will be mailed to the last known address indicated in department records.

- (2) In order to prevent the expiration of a certificate of license, all applications for license renewals must be received by the department prior to the date on which the current license expires.
 - (3) If an application for license renewal is received by the department after the date on which the current license expires, the license will not be reinstated except with approval of the director. The director may require a hearing prior to reinstatement.
 - (4) All renewal licenses and a reinstatement license approved by the director shall be dated as of the day following the date on which the current license expires.
- (o) Application and Appeals.
- (1) Initial application processing.
 - (A) It is the policy of the department to issue the license within seven (7) working days after receipt of all required information and the following conditions have been met:
 - (i) all required forms are properly executed; and
 - (ii) all requirements of applicable statutes and department rules have been met.
 - (B) License applications and accompanying documents received shall be processed and issued within seven (7) working days if all conditions for license have been met.
 - (C) License applications and accompanying documents found to be incomplete or not properly executed shall be returned to the applicant with an explanation of the specific reason and what information is required to complete license. Upon receipt of all required information, the license will be issued within seven (7) working days.
 - (D) Upon written request, the department will call the license holder and provide the license number assigned.
 - (2) Appeals. Applicants may appeal any dispute arising from a violation of the time periods set for processing an application. An appeal is perfected by filing with the director a letter explaining the time period dispute. The letter of appeal must be received by the director no later than twenty (20) calendar days after the date of the letter of explanation from the department outlined in paragraph (1)(C) of this subsection. The department will decide the appeal within twenty (20) calendar days of the receipt of the letter of appeal by the director.

§80.124. Deposits and Down Payments.

- (a) The retailer, salesperson, or agency of the retailer shall not retain or keep a deposit except in accordance with this section.
- (b) A deposit on a home in inventory must be refunded within fifteen (15) calendar days following the date of written notice from the depositing consumer requesting the refund. The retailer must hold the home in inventory for purchase by the consumer making the deposit until the deposit is refunded. The retailer may refund the deposit at any time to the depositing consumer, but the retailer must not sell the home to any other consumer until the deposit on the home in inventory has been refunded.
- (c) A deposit on a special ordered home which is not in inventory must be refunded within fifteen (15) calendar days following the date of written notice from the depositing consumer requesting the refund if the retailer, salesperson, or agent fails to provide or perform the following:
 - (1) Has record of the consumer being given conspicuous written notice of the requirements for retaining the deposit as set forth by §6(n) in the Standards Act, along with all of the notices and forms required by §6(n) in the Standards Act to be given to the consumer prior to the execution of any mutually binding contract.
 - (2) The special ordered home is delivered or ready to be delivered and fails to conform to the specifications or representations, if any, made to the consumer by the retailer.
- (d) On a special ordered home which is not in inventory, the retailer may retain the deposit provided that:
 - (1) the home conforms to the specifications of the special order and the representations, if any, made to the consumer are not altered without the consumer's consent;
 - (2) the consumer fails or refuses to accept delivery and installation of the home by the retailer;
 - (3) the consumer is given conspicuous written notice of the requirements for retaining the deposit as set forth in this subsection along with all of the notices and forms required by this chapter to be given the consumer prior to the execution of any mutually binding contract.
- (e) the retailer may not retain more than five percent (5%) of the estimated cash price of the home which is specially ordered, and the retailer must refund any amount of the deposit which exceeds five percent (5%); and

- (f) In a financed transaction, the deposit becomes the down payment, or part thereof, following credit approval and the execution of a retail installment sales contract, and the provisions of this section do not apply.
- (g) To ensure that the down payment required by the creditor in a financed transaction is actually received by the retailer at the time of the execution of the contract or document, the actual source of the funds for the down payment must be verified by the consumer, the retailer, and the salesperson on a form prescribed by the department. The Down Payment Verification Affidavit must be signed and notarized by the consumer, the retailer, and the salesperson prior to the execution of a retail installment sales contract or agreement.
- (h) This Down Payment Verification Affidavit must denote in at least 14 point bold font "The amount of my down payment is the true amount noted on my retail installment contract."
- (i) The provisions of this section do not apply to a deposit or funds held in an escrow account in connection with a real estate transaction.

§80.125. Advertising Regulations.

- (a) A license holder is prohibited from publishing or distributing any form of advertising which is false, deceptive, or misleading.
- (b) There are no restrictions on:
 - (1) the use of any advertising medium;
 - (2) a person's personal appearance or the use of a person's voice in an advertisement;
 - (3) the size or duration of an advertisement; or
 - (4) the use of a trade name in an advertisement.
- (c) A retailer or broker must not advertise any interest rate or finance charge which is not expressed as an annual percentage rate and must comply with the disclosure requirements of the federal Truth-in-Lending Act.

§80.126. Rules for Hearings.

- (a) Unless otherwise expressly set forth in the Standards Act or this chapter, all hearings shall be held and conducted pursuant to the applicable provisions of Government Code, Chapter 2001.
- (b) Any party to a hearing may request that a record of the hearing be made and transcribed by an independent court reporter, other than an employee of the department. Such request must be made not later than seven (7) calendar days prior to the hearing. The additional cost and expense of the independent court reporter may be assessed against the party making the request. In all hearings, the

published rules and regulations of the secretary of HUD shall be considered, if relevant. If the department believes that such rules and regulations are relevant to any issue to be involved in the hearing, the notice of hearing shall specifically refer to such HUD rules and regulations.

- (c) If, after receiving notice of a hearing, a party fails to appear in person or by representative on the day and time set for hearing or fails to appear by telephone in accordance with Government Code, Chapter 2001, the hearing may proceed in that party's absence and a default judgment may be entered.
- (d) Any person for whom a license was revoked, denied, or suspended by a final order issued after a hearing under Government Code, Chapter 2001, may only be issued a new license after a hearing under Government Code, Chapter 2001, and determination by the director that the certificate of license may be issued.
- (e) Pursuant to the Administrative Procedures Act, each party has the right to file exceptions to the Proposal for Decision and present a brief with respect to the exceptions. All exceptions must be filed with the department within ten (10) working days of the Proposal for Decision, with replies to be filed ten (10) working days after the filing of exceptions.

§80.127. *Sanctions and Penalties.*

- (a) In accordance with the provisions of Government Code, Chapter 2306, §2306.604, the director may assess and enforce penalties and sanctions against a person who violates any applicable law, rule, regulation, or administrative order of the department. The director may:
 - (1) issue to the person a written reprimand that specifies the violation;
 - (2) revoke or suspend the persons license;
 - (3) place on probation a person whose license is suspended; or
 - (4) assess an administrative penalty in an amount not to exceed \$1,000 for each violation in lieu of, or in addition to, any other sanction or penalty.
- (b) In determining the amount of a sanction or penalty, the board and the director shall consider:
 - (1) the kind or type of violation and the seriousness of the violation;
 - (2) the history of previous violations; the kind or type of previous violations, and the length of time between violations;
 - (3) the amount necessary to deter future violations;
 - (4) the efforts made to correct the violation or previous violations; and
 - (5) any other matters that justice may require.

- (c) Violations will be subject to sanctions and penalties as set forth in Government Code, Chapter 2306.604. Revocation or suspension of a license may be assessed only for multiple, consistent, and/or repeated violations. For first-time violations of a department rule which does not relate to the construction or installation of the home, a voluntary letter of compliance will be issued in lieu of other sanctions.
- (d) Consumer complaints relating to warranties are not considered violations until there has been a determination that the complaint is subject to a warranty and the license holder giving the warranty fails or refuses to respond to a warranty order of the department for correction of the warranty item. The failure to correct a serious defect, an imminent safety hazard, or a defect pursuant to applicable state and federal regulations and/or warranty orders is a violation.
- (e) All written notices and preliminary reports of violations shall specify in detail the particular law, rule, regulation, or administrative order alleged to have been violated along with a detailed statement of the facts on which the allegation is based.
- (f) The respondent in an administrative hearing shall be entitled to due process and a hearing under the provisions of Government Code, Chapter 2001 and Chapter 2306. The respondent and the director may enter into a compromise settlement agreement in any contested matter prior to signing of the final order.

§80.128. Arbitration Rules.

- (a) *Definitions for Arbitration.* The following words and terms when used in this chapter shall have the following meanings, unless the context clearly indicates otherwise:
 - (1) Authorized representative - An attorney authorized to practice law in the State of Texas or a person designated by a party to represent the party.
 - (2) Award - The written decision of the arbitrator.
 - (3) Chief judge - The chief administrative law judge of the State Office of Administrative Hearings (SOAH) or his/her designee.
 - (4) Department - The Manufactured Housing Division of the Texas Department of Housing and Community Affairs (TDHCA).
 - (5) Dispute - The factual and/or legal controversy including the amount of the claim.
 - (6) Manufactured Homeowners' Recovery Fund (HORF) - A special fund reserved for the payment of valid consumer claims and other authorized expenses of the department.
 - (7) Party/Parties - Consumer, manufactured housing license holder of the department, or a surety company, or the department in cases that potentially impact the HORF, and persons who hold, or have previously

held, a security interest in the manufactured home, and any other person involved in the dispute who agrees to the arbitration.

- (8) Surety bond - A bond or security filed with the department which shall be open to successive claims.
- (9) Surety - Person or organization which undertakes to pay money or perform another act if his principal fails to do so.

(b) Election of Arbitration and Options.

- (1) The department finds that the manufacture and sale of manufactured homes affects interstate commerce; accordingly, the parties may agree on binding arbitration under Title 9, United States Code.
- (2) The binding arbitration shall not supersede nor interfere with the department's informal dispute resolution process. The parties must submit all disputes involving warranties to the department for processing through the informal dispute resolution process.
- (3) The parties may elect to use private, local, regional, or national arbitration services or may select arbitrators proposed by the SOAH as set forth in this section. This election must be set forth in the written agreement for binding arbitration.
- (4) Arbitrators shall be selected by mutual agreement of the parties or in accordance with the specific provisions of the written agreement for binding arbitration.

(c) *Qualifications for Arbitrators.* Unless provided by the SOAH, potential arbitrators must have the following minimum standards:

- (1) at least five (5) years of experience in the legal profession; or
- (2) at least five (5) years experience in the resolution of claims with experience as a presiding officer; or
- (3) at least ten (10) years of experience in the regulation of the manufactured housing industry; and
- (4) the attributes necessary to be a successful arbitrator, including expertise, honesty, integrity, impartiality, and the ability to manage the arbitration process.

(d) Awards.

- (1) The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable within the scope of the parties, including, but not limited to, specific performance of a contract. However, the award must be consistent with applicable state and federal law, including the Standards

Act, Government Code, Chapter 2306, Title 9, United States Code, and this chapter.

- (2) The award shall be based on the facts established in the arbitration proceeding, in the opinion of the arbitrator or a majority of the arbitrators, including stipulations of the parties and on the state and federal statutes and formal rules and regulations, as properly applied to those facts.
 - (3) Subject to the limitations set forth in this section, the arbitrator may assess arbitration fees, expenses, and compensation.
 - (4) If there is more than one arbitrator, all decisions must be made by a majority.
 - (5) The award must:
 - (A) be in writing;
 - (B) be dated and signed by the arbitrator or a majority of the arbitrators; and
 - (C) state the basis of, and the rationale for, the award.
 - (6) The award is final and binding on all parties. Parties may apply to the state or federal district courts for confirmation, vacation, modification, or correction of the award only to the extent allowed under Title 9, United States Code.
 - (7) Solely for the purpose of correcting clerical errors, the arbitrator retains jurisdiction of the award for twenty (20) calendar days after the date of the award.
- (e) Duties of the Arbitrator.
- (1) The arbitrator shall afford a full and equal opportunity to all parties for the presentation of any material and relevant evidence and shall protect the interests of all parties.
 - (2) If the dispute may involve the HORF, the arbitrator shall notify the department in writing as soon as she/he has knowledge of this fact and shall provide the department the opportunity to introduce evidence or present arguments relating to the claim against the HORF.
 - (3) Copies of the award shall be served on all parties and to the department.
- (f) Costs of Arbitration.
- (1) The costs of arbitration shall be paid by the parties. The arbitrator shall apportion the costs between the parties as in her/his discretion is fair, just,

and equitable, subject to the limitation of consumers' costs in this subsection.

- (2) The costs of arbitration to the consumer are limited to a maximum of:
 - (A) \$250 if the claims for damages do not exceed \$50,000;
 - (B) \$500 if the claims for damages exceed \$50,000 but do not exceed \$250,000; and
 - (C) \$1,000 if the claims for damages exceed \$250,000.
- (3) The costs of arbitration shall include the fee or fees for the arbitrator or arbitrators and all incidental expenses directly related to the conduct of the arbitration proceeding.
- (4) Subject to the limitation of consumers' costs in this subsection, costs shall be paid in accordance with the rules of the arbitrator, or if the SOAH is selected to handle the arbitration, in accordance with the provisions of subsection (j) of this section.
- (g) *Notice To Department.* All notices required to be sent to the department shall be sent to TDHCA, Manufactured Housing Division, P. O. Box 12489, Austin, Texas 78711.
- (h) *Notice To Surety Companies.* Upon receipt of a notice of intent to arbitrate, the department shall furnish the selected arbitrator with a list of the surety companies of the license holders involved in the dispute to be given notice of the proceeding and an opportunity to participate.
- (i) *Arbitration Not Using SOAH.* The provisions of this subsection relate only to arbitrations for which the parties have agreed to use the services of a private, local, regional, or national arbitration service.
 - (1) Subject to the provisions of subsections (a)-(h) of this section, the parties shall follow the rules of the applicable arbitration service.
 - (2) The party requesting the arbitration shall file a written notice of intent to arbitrate with the department. The written notice shall:
 - (A) contain the name, address, telephone and facsimile number of the selected arbitrator or arbitrators and, if applicable, the arbitration organization through which the arbitration will be conducted;
 - (B) contain a description of the nature of the dispute and the remedy sought along with a description of the manufactured home by HUD/Seal number and serial number and the date of sale or occurrence; and

- (C) have attached a copy of the written agreement for the binding arbitration.
- (j) *Arbitration Using SOAH.* The provisions of this subsection relate only to arbitrations for which the parties have agreed to use the services of SOAH. Subject to the provisions of subsections (a)-(h) of this section, the parties shall follow these additional rules.
 - (1) A written notice of intent to arbitrate shall be filed with the Manufactured Housing Division of the department and all involved parties by certified mail, return receipt requested. This notice of intent shall include a written statement that contains the following:
 - (A) a statement that the parties have agreed in writing to submit their dispute to arbitration under these rules;
 - (B) the nature of the dispute that is being submitted to arbitration, including a complete description of the manufactured home by HUD/Seal and serial number, and date of sale or occurrence;
 - (C) a brief description of the factual and/or legal controversy, including the amount in controversy, if any;
 - (D) the remedy sought;
 - (E) any special information that should be considered in compiling a panel of potential arbitrators; in the event the parties fail to indicate the number of arbitrators to be used, the dispute shall be heard and determined by one arbitrator;
 - (F) a statement that the hearing locale shall be determined by the arbitrator pursuant to paragraph 14(D) of this subsection;
 - (G) a list of all parties, and their attorneys or representatives, including addresses, telephone and facsimile numbers;
 - (H) a nonrefundable filing fee of \$100 made payable to the department;
 - (I) an estimate of length of the hearing in hours. This estimate must be approved by the department before arbitration can begin; and
 - (J) a deposit equal to 150% of the estimated cost of the hearing, payable to the department. This deposit is calculated by multiplying the estimated length of number of hearing hours by \$70. This figure is then multiplied by 1.5, and the product multiplied by the number of arbitrators to be used.
 - (2) Costs of Arbitration.

- (A) The filing fee of \$100 which is nonrefundable.
 - (B) Each arbitrator's fee is not to exceed \$70 an hour for case preparation, travel, pre-hearing conferences, hearings, preparation of the Award, and any other required post-hearing work.
 - (C) The unused portion of the deposit shall be refunded by the department after an accounting from the arbitrator.
 - (D) If the cost of the arbitration exceeds the deposit of the estimated cost, the department shall invoice the appropriate parties and collect any monies due the department.
 - (E) All fees and deposits are payable to the department at P. O. Box 12489, Austin, Texas 78711.
 - (F) The department shall distribute arbitration fees to SOAH in response to monthly billing statements.
- (3) Initiation of Arbitration.
- (A) Immediately upon receipt of notice of intent to arbitrate, the filing fee, and the deposit of estimated cost, the department shall forward the information to SOAH so that arbitration can be initiated. The department shall furnish SOAH with a list of the surety companies of the license holders involved in the dispute so that they may be given notice of the arbitration and an opportunity to seek to be made parties of the arbitration. Also the department shall furnish SOAH an accounting of the filing fee and deposit of the estimated cost. The case shall be file stamped and given a SOAH docket number which identifies it as a case submitted for arbitration. The docket number will be used on all subsequent correspondence and documents filed with SOAH relating to this arbitration.
 - (B) The party that did not initiate the arbitration must file an answering statement with SOAH within ten (10) calendar days after receipt of the notice of intent from the electing party. That answering statement shall include a statement that the party agrees to arbitrate and an indication of whether the party agrees or disagrees with the statements in the initial notice of intent to arbitrate.
- (4) *Changes of Claim.* If either party desires to make any new or different claim, it shall be made in writing and filed with SOAH. The other party shall have ten (10) calendar days from the date of such mailing in which to file an answer with SOAH. After the arbitrator is appointed, however, no new or different claim may be submitted except with the arbitrator's consent.
- (5) *Filing and Service of Documents.*

- (A) All documents filed by either party with SOAH shall be simultaneously served on the other parties, using the same method of service, if possible. Documents required to be filed with SOAH shall be delivered to the docket clerk before 5:30 p.m. local time. The time and date of filing shall be determined by the file stamp affixed by the SOAH docket clerk.
 - (B) Service may be made by first class mail, overnight courier, or certified mail return receipt requested to the party or its representative at its last known address. Documents containing 20 or fewer pages, including exhibits, may be filed with SOAH by electronic transmission according to requirements set out in its rules. All documents served on another party shall have a certificate of service signed by the party or its representative that certifies compliance with this rule. A proper certificate shall give rise to a presumption of service.
 - (C) If any document is sent to the SOAH clerk by certified mail or first class mail in an envelope or wrapper properly addressed and stamped and is deposited in the mail on or before the last day for filing same, and it is received within three (3) working days of the filing date, it shall be deemed properly filed.
 - (D) Documents filed by facsimile that are received at SOAH after 5:30 p.m. shall be deemed filed the first day following that is not a Saturday, Sunday, or official state holiday.
- (6) Selection of Arbitrator.
- (A) Any Administrative Law Judge (ALJ) employed by SOAH may be selected as an arbitrator. The parties may propose the name of a particular ALJ to arbitrate in a particular case in the notice of intent to arbitrate. However, the usual procedure will be for SOAH to provide the parties with a list of potential arbitrators, for selection to be made as described in subparagraph (B) of this paragraph.
 - (B) SOAH will provide a list of potential arbitrators to the parties in the case. The list of potential arbitrators in each case will be created by selecting persons employed as an ALJ at SOAH, giving due regard to the complexity of the dispute, the expertise needed to understand the dispute, the experience and training of the proposed arbitrators, and the requests of the parties concerning the location of the hearing.
 - (C) SOAH shall send each party an identical list of persons qualified to serve as an arbitrator in the dispute within ten (10) calendar days after receipt of the notice of intent to arbitrate by SOAH. SOAH will also give the parties a copy of the resumes of these persons.

The number of persons on the list shall be equal to the sum of the number of parties involved in the arbitration plus the number of arbitrators agreed to be used.

- (D) Each party shall have ten (10) calendar days from the transmittal date to strike one name. The remaining names should be numbered in order of preference, if such preference exists. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable. It is not necessary for the parties to exchange the name of the candidate that they are striking, nor will those names be disclosed to the candidates.
 - (E) SOAH will notify the parties of the arbitrator or arbitrators selected.
- (7) Disclosure Requirements and Challenge Procedure.
- (A) A potential arbitrator must not become or continue to be the arbitrator in any dispute if she/he believes or perceives that participation as an arbitrator would be a conflict of interest. A potential arbitrator must disclose any bias or any financial or personal interest she/he may have in the result of the particular arbitration as well as any past or present relationship with the parties, their principals, or their representatives.
 - (B) The duty to disclose is a continuing obligation throughout the arbitration process.
 - (C) Upon receipt of such information from the arbitrator or another source, SOAH shall communicate the information to the parties and, if appropriate, to the arbitrator and others. Upon objection of a party to the continued service of an arbitrator, the chief judge shall determine whether the arbitrator should be disqualified and shall inform the parties of his/her decision, which shall be conclusive.
- (8) *Vacancies.* If for any reason an arbitrator is unable to perform the duties of the office, the chief judge may, on proof satisfactory to him/her, declare the office vacant. Vacancies shall be filled in accordance with the applicable provisions of this chapter for initial appointment of an arbitrator.
- (9) *Qualifications of Arbitrators.*
- (A) The chief judge shall designate impartial third parties who shall be subject to the standards and duties prescribed by the applicable sections of the Civil Practices and Remedies Code (CPRC), and who shall have the qualified immunity prescribed therein.

- (B) Potential arbitrators shall have a current resume on file, available to persons interested in utilizing the arbitration process, that shows her/his experience, education, professional licenses and certifications, and professional associations and publications.
- (10) *Record.* The Arbitrator may make a tape recording of the proceeding which may be destroyed after the time for final appeal has passed.
 - (11) *Interpreters.* Any party intending to use an interpreter for themselves or any of their witnesses must provide the other parties notice of their intent to use an interpreter and the identity of the interpreter at least thirty (30) calendar days prior to the arbitration. The other parties may file objections to the use of that interpreter which will be ruled upon by the arbitrator or have present their own interpreter selected and paid for by them. Any other party retaining an interpreter in response to another party's designation of their intent to use an interpreter must notify the other parties within fifteen (15) calendar days prior to the arbitration proceeding of the identity of the interpreter.
 - (12) *Duties of the Arbitrator.* In addition to the duties set forth in subsection (e) of this section, the arbitrator:
 - (A) shall notify the department when the arbitrator's fees and expenses have exceeded the deposit estimated by the electing party so the department can collect additional expenses; and
 - (B) shall not issue an Award until notified by the department in writing that all monies have been received by the department as described in subsection (j)(2) of this section.
 - (13) *Communication of Parties with Arbitrator.* The parties shall not communicate with the arbitrator concerning the issues of the dispute other than at an oral hearing, or through properly filed documents, unless the parties and the arbitrator agree otherwise.
 - (14) *Date, Time, and Place of Hearing.*
 - (A) The arbitration hearing shall be scheduled to begin no later than the ninetieth day after the date that the arbitrator is selected.
 - (B) The arbitrator shall set the date, time, and place for each hearing. She/he shall send a notice of hearing to the parties at least thirty (30) calendar days in advance of the hearing date, unless otherwise agreed to by the parties.
 - (C) The arbitrator may grant a continuance of the arbitration at the request of any party.

- (D) All hearings shall be held in Austin or in the region where one or more parties are located, as determined by the arbitrator. Preference will be given to using government facilities.
- (15) *Representation.* Any party may be represented by counsel or other authorized representative.
- (16) *Public Hearings and Confidential Material.* The arbitrator shall maintain the privacy of the hearings unless the law provides to the contrary. Any person having a direct interest in the arbitration is entitled to attend hearings. It shall be discretionary with the arbitrator to determine the propriety of the attendance of any other person.
- (17) *Preliminary Conference.* The arbitrator may set a preliminary conference and may require parties to file a statement of position prior to that conference.
- (18) *Exchange of Information.* By the thirtieth day after the date SOAH mailed notice to the parties of the name of the appointed arbitrator, the parties shall have exchanged the following information:
 - (A) list of witnesses that a party expects to call identifying the subject matter on which the witness may testify; and
 - (B) copies of documents or other tangible things relevant to the dispute.
- (19) *Discovery.* The arbitrator may authorize discovery upon a showing of good cause. Parties are to voluntarily disclose information related to the dispute being arbitrated, as provided in paragraph (18) of this subsection.
- (20) *Control of Proceedings.* The presiding arbitrator shall exercise control over the proceedings, including but not limited to, determining the consequences of any party's failure to comply with these rules and/or the rulings of the arbitrator, the manner and order of interrogating witnesses and presenting evidence so as to:
 - (A) make the interrogation and presentation effective for the determination of the truth;
 - (B) avoid needless consumption of time; and
 - (C) protect witnesses from harassment or undue embarrassment.
- (21) *Evidence.*
 - (A) The parties may offer evidence as they desire and shall produce additional evidence that the arbitrator considers necessary to understand and resolve the dispute. However, any documentary evidence not timely exchanged between the parties before the

hearing will be excluded from consideration unless good cause is shown.

- (B) The arbitrator is the judge of the relevance and materiality of the evidence offered. Strict conformity to the rules of judicial proceedings is not required. The Texas Rules of Civil Evidence are not binding on the arbitrator but may be used as a guideline.
- (C) All privileges recognized by the Texas Rules of Civil Procedure may be invoked to protect privileged documents. If requested, the arbitrator shall decide whether a document is in fact privileged.
- (D) Each party shall produce any witnesses under its control without the necessity of a subpoena. Individuals may be compelled by the arbitrator, as provided in Title 9, United States Code §7, to attend and give testimony or to produce documents at the arbitration proceeding or at a deposition authorized under subsection (j)(19) of this section.

(22) *Witnesses.* Witnesses shall testify under oath. Testimony may be presented in a narrative, without strict adherence to a "question and answer" format.

(23) *Exclusion of Witnesses.* Any party may request that the arbitrator exclude witnesses from the hearing except when they are testifying. If such a request is made, the arbitrator shall instruct the witnesses not to discuss the case outside the official hearing other than with the designated representatives or attorneys in the case. However, an individual who is a party or any other party representative shall not be excluded under this rule. A witness or other person violating these instructions may be punished by the exclusion of evidence as the arbitrator deems appropriate.

(24) *Evidence by Affidavit.* The arbitrator may receive and consider evidence of witnesses by affidavit. Affidavit testimony must be filed with the arbitrator and served on the other party no later than thirty (30) calendar days before the hearing. The other party will have fifteen (15) calendar days to file any objection to the admissibility of the affidavit or to file controverting affidavits. The arbitrator shall give such evidence only such weight as the arbitrator deems it entitled to after consideration of any objection made to its admission.

(25) *Order of Proceedings.*

- (A) The arbitrator may allow each party to make an opening statement, clarifying the issues involved.
- (B) The parties shall present the evidence supporting their respective claims in the order directed by the arbitrator. Witnesses for each

party shall answer questions propounded by the other parties and the arbitrator.

(C) Exhibits offered by either party may be received in evidence by the arbitrator.

(D) The parties may make oral closing statements or, at the request of the arbitrator, may submit arguments in writing.

(26) Attendance Required.

(A) The arbitrator may proceed in the absence of any party or representative of a party who, after notice of the proceeding, fails to be present or to obtain a continuance.

(B) An arbitrator may not make an award solely on the default of a party and shall require the party who is present to submit evidence, as required by the arbitrator, before making an Award.

§80.129. Determinations Regarding the Pursuit of Administrative Penalties and Enforcement Actions.

(a) When the Department has reason to believe that a violation of the Standards Act, these Rules, or an administrative order has occurred, the Department shall determine what, if any, administrative action or actions may be appropriate to see that the purposes of the Standards Act are carried out. In that regard, in order to promote the uniform application of the Standards Act, the Department will follow these guidelines. The only time that the Department will deviate from these guidelines is when with either the Director or the Board determines, for documented *bona fide* reasons, that some other course of action, consistent with the Standards Act and any other applicable legal requirements would be more appropriate.

(b) As used herein, “dangerous conditions” means any condition which, if present, would constitute an imminent threat to health or safety, and “loss” means actual financial loss or damage, not including exemplary, punitive, special, or consequential damages. “Significant” means significant in relationship to the financial resources of the person who incurs a loss. “Promptly” means within the time prescribed by the Standards Act, these Rules, and any administrative order (including any properly granted extension) or, in the case of a matter that constitutes an imminent threat to health or safety, as quickly as reasonably possible.

(c) Any exceptionally flagrant, willful violation that constitutes an imminent threat to health or safety may be a basis for pursuit of maximum statutory penalties and/or suspension or revocation of licenses.

(d) Anytime the record indicates that there is a high likelihood that a licensee’s violation is a direct result of a systemic problem, it is appropriate to request the

licensee to develop a plan to prevent future occurrences. Undertaking to develop such a system is an appropriate factor to be taken into account in determining what penalty to pursue.

- (e) Any and all penalties are IN ADDITION to full compliance with the Standards Act and Rules (*i.e.*, full, prompt corrective action, restitution, or whatever else the Standards Act and rules would have required in the first place). Failure to provide such compliance on a timely basis, as specified in the applicable order, will be deemed to be a violation of the order and serve as a basis for pursuing additional administrative action, including the assessing of additional penalties and the pursuit of suspension or revocation of licensees.
- (f) In determining the appropriate amount of a penalty or other action, all relevant factors shall be considered, including, but not limited to: the resources of the licensee and their ability to pay fines, efforts to achieve compliance, the nature and frequency of recurring violations, and monetary impact on consumers.
- (g) Enforcement Matrix.

<u>Nature of violation</u>	<u>Range of recommended actions</u>
1 st time – no dangerous conditions or loss to consumers – addressed promptly	1 st time violator letter
1 st time – no dangerous conditions or loss to consumers – not addressed promptly	Up to \$250 fine
1 st time – danger to consumer and/or significant loss to consumer – addressed promptly	Up to \$500 fine
1 st time – danger to consumer and/or significant loss to consumer – not addressed promptly	\$500-1000 fine
recurring – no dangerous conditions or loss to consumers – addressed promptly	Up to \$250 fine for 1 st recurrence; up to \$500 for 2 nd , up to \$1000 PLUS a written plan to prevent additional violations for 3 rd
recurring – no dangerous conditions or loss to consumers – not addressed promptly	Up to \$500 fine for 1 st recurrence; up to \$1000 for 2 nd , up to \$1000 and/or seek suspension
recurring – danger to consumer and/or significant loss to consumer – addressed promptly	\$500 -1000 for first recurrence; seek suspension (may be probated) for 2 nd recurrence; revocation for 3 rd recurrence
recurring – danger to consumer and/or significant loss to consumer – not addressed promptly	Up to maximum allowed by law for 1 st recurrence; seek suspension (may be probated) for 2 nd recurrence; revocation for 3 rd recurrence

§80.130. Delivery of Warranty.

- (a) The written warranty that the manufactured home is habitable as per §8 of the Standards Act, shall have been timely delivered if given to the homeowner at or prior to the time the contract for sale is signed.
- (b) The written manufacturer's new home construction warranty per §14 of the Standards Act, shall be timely delivered if given to the homeowner at or prior to the time of initial installation at the consumer's homesite.
- (c) For secondary installations, the "installer" as defined in §80.119(a) of this title (relating to Installation Requirements) shall deliver the installation warranty required by §14(d) and (m) of the Standards Act, to the consumer at the time of the installation at the consumer's homesite. The installer must keep a copy of the installation warranty and proof of delivery to the consumer in a permanent file for review by the department.

§80.131. Correction Requirements.

- (a) The retailer, installer, or manufacturer shall take immediate corrective action when notification is received from a consumer and the nature of the complaint indicates an imminent safety hazard or serious defect.
- (b) Except as provided in subsection (a) of this section, manufacturers, retailers, and installers shall perform their obligations in accordance with their respective written warranty within a reasonable period of time. A reasonable period of time is deemed to be forty (40) calendar days following receipt of the consumer's written notification unless there is good cause requiring more time. The consumer's written notification must be received by the manufacturer, retailer, or installer within forty (40) calendar days following the end of the one (1) year warranty period for new homes and for used homes within sixty (60) calendar days after the date of the sale.
- (c) The manufacturer, installer, and retailer shall make available for review by department personnel, records relating to their respective warranty responsibilities, to assure that warranty work has been accomplished and that warranty work has been done in accordance with design or standards criteria and properly completed.

§80.132. Procedures for Handling Consumer Complaints.

In order to comply with §2 of the Standards Act, to provide for the protection of the citizens who purchase manufactured housing and to provide fair and effective consumer remedies, the following procedures will be followed:

- (1) On initial contact by a consumer, the department will attempt to verify if the consumer has a valid complaint that is subject to the department's

authority. If the department determines that the department has jurisdiction:

- (A) If the consumer has not previously notified the manufacturer, retailer or installer in writing, the department will instruct the consumer to provide written notification to the manufacturer, retailer, or installer and give the license holder a reasonable amount of time to make repairs.
 - (B) If the consumer has previously provided written notification to the manufacturer, retailer or installer of the need for warranty service or repairs, but believes such has not been completed in a satisfactory manner, the department shall mail a complaint form to the consumer with instructions to complete it and return it to the department. On receipt of the complaint form, the department will make a determination regarding whether or not to open a consumer complaint. If a consumer complaint is opened, the department shall forward copies of the complaint form to the manufacturer, retailer and/or installer, as appropriate, by certified mail, return receipt requested. The department shall also include in the certified mail the "Manufacturer's Response Form" or "Retailer's Response Form," as appropriate, which must be completed and returned to the department within ten (10) working days. The department shall perform a home inspection, if required. If a home inspection is performed, the department will assign responsibilities for repair, and notify the manufacturer, retailer, installer, and consumer of their responsibilities to complete such warranty or service repair in accordance with §80.131(b) of this title (relating to Correction Requirements).
- (2) The department shall make a consumer complaint home inspection if a consumer, manufacturer, or retailer requests such inspection.
- (A) **Consumer Request.** The consumer may, at any time, request that the department perform a consumer complaint home inspection if the consumer has not been provided proper warranty service. The department may require that the request be in writing on a form provided by the department. If the department has reason to believe that the consumer complaint is covered by a warranty of a license holder, the department shall conduct a home inspection. There is no fee for an inspection performed at the request of the consumer when the department determines that a home inspection is warranted.
 - (B) **Industry Request.** Manufacturer or retailer requests for a consumer complaint home inspection must be in writing on such form as the department may require, shall identify the home by HUD label and serial number(s), and shall provide the necessary information for the department to contact the consumer and determine the physical

location of the home. The request must be accompanied by the required fee. The manufacturer or retailer may request a consumer complaint home inspection if the manufacturer or retailer:

- (i) believes that the consumer's complaints are not covered by the respective written warranty, or implied warranties; or
 - (ii) believes that the warranty service was previously properly provided; or
 - (iii) has a dispute as to the respective responsibilities pursuant to the warranties.
- (C) The department will perform the inspection within thirty (30) calendar days from the date an inspection is requested. The inspector shall:
- (i) inspect all items included in the consumer complaint filed with the department and any additional items identified by the consumer prior to completion of the inspection. Any items identified by the consumer after the home inspection is complete shall be handled as a new consumer complaint.
 - (ii) For each item inspected, the inspector shall review the manufacturer's determinations in accordance with 24 CFR §3282.404(b) and evaluate whether or not the item is covered by either the manufacturer's, retailer's, or installer's warranty and, if covered, by which of the respective warranties. In addition, the inspector shall categorize items as follows:
 - (I) The item is a warranty item (also identify which warranty);
 - (II) The result of normal wear and tear, not a warranty item;
 - (III) The result of owner abuse neglect or modification, not a warranty item;
 - (IV) Within commercially acceptable standards, not a warranty item;
 - (V) Meets the current federal and state standards, not a warranty item;
 - (VI) Cosmetic, not a warranty item;
 - (VII) License holder not notified within warranty period;

(VIII) Unable to determine, additional information is required; or

(IX) Other (explain).

(D) Within ten (10) working days following the consumer complaint home inspection, the department shall mail its written report and orders (includes amended reports and orders), if any, to the consumer, manufacturer, retailer, and installer by certified mail, return receipt requested.

- (3) When service or repairs are completed following any notice or orders from the department pursuant to paragraph 2(D) of this section, the manufacturer, retailer, and/or installer shall forward to the department copies of service or work orders reflecting the date the work was completed, or other documentation to establish that the warranty service or repairs have been completed. If the consumer refuses to sign the service or work order, the license holder shall note this fact on the service or work order. These service or work orders must be received by the department within ten (10) calendar days after the expiration of the period of time specified in the warranty order issued by the department.
- (4) Each license holder must maintain both a current physical location address and a current mailing address with the department. Service of notice of hearing or other notice sent by certified mail will be sent to the license holder's current mailing address according to the department's records. If the department sends a notice to the manufacturer, retailer, or installer at the mailing address by certified mail, and the notice is refused or unclaimed, the department may presume that the license holder was provided proper notice. All written amended reports and orders will be serviced in this manner.
- (5) If service or repairs cannot be made within the specified time frame, the license holder shall notify the department in writing prior to the expiration of the specified time frame by certified mail. The notice shall list those items which have been, or will be, completed within the time frame and shall show good cause why the remainder of the service or repairs cannot be made within the specified time frame. The license holder shall request an extension for a specific time. If the department fails to respond in writing to the request within five (5) working days of the date of receipt of the notice of request for extension, the extension has been granted.
- (6) Once the department receives the service or work orders with the consumer's signature indicating that all items have been satisfactorily completed, the department shall send a written notice to the consumer, stating that if the department does not receive a written reply within the thirty (30) calendar days the complaint file will be closed.

- (7) If the department decides that another inspection is necessary because of conflicts among the parties to a complaint regarding the nature or quality of the corrective work, whomever the department deems to be responsible for errors requiring the additional inspection will be required to pay the inspection fee to the department.

§80.133. Administration of Claims under the Manufactured Homeowners' Recovery Trust Fund.

- (a) The Manufactured Homeowners' Recovery Trust Fund (the "Fund") is established to reimburse consumers for actual unsatisfied claims against licensed manufacturers, retailers, brokers, and installers for violations of the Standards Act, these rules, the FMHCSS and its implementing regulations, and the Texas Deceptive Trade Practices-Consumer Protection Act. Payments from the Fund are subject to limitations, as set forth in §1201.405 of the Standards Act.
- (b) Documentation of a claim by a Licensee who is deemed to be a "consumer" under §1201.358(d) of the Standards Act – When either a manufacturer or a retailer has their license revoked or goes out of business and the party that went out of business or had its license revoked has failed to perform required warranty work on a timely basis, the Director may direct a licensee that is still in business to perform the warranty work. A licensee so directed will be deemed to be a "consumer" under §1201.358(d) of the Standards Act and entitled to be reimbursed from the Fund for the costs of performing such re-assigned warranty work.
 - (1) The Director, before authorizing any party performing re-assigned warranty work to proceed, will require that an estimate be submitted, itemizing the hourly cost of labor required, the estimated time to complete the work, the itemized costs of any material, equipment, and supplies, and such additional out-of-pocket expenses as the licensee believes it will incur. Overhead costs may be included, not to exceed 20% of the cost of labor and materials. If the required estimate is not submitted and approved prior to the commencement of re-assigned warranty work, the party performing the work may not be reimbursed for that work until the Director has been provided with evidence establishing that the amount billed was justifiable in all respects. The estimate must be on the form prescribed by the Department, properly completed and executed.
 - (2) An order by the Director authorizing re-assigned warranty work to be performed will specify that:
 - (A) the amount billed shall not exceed the actual hours required and the actual out-of-pocket expenses incurred;
 - (B) the licensee should keep complete records, subject to audit by the Department for three years;

- (C) the re-assigned warranty work should be performed within forty (40) days;
 - (D) the required evidence that the re-assigned warranty work was performed should be supplied to the Department within ten (10) days of completion; and
 - (E) re-assigned warranty work, once completed, is subject to being re-inspected.
- (3) An order re-assigning warranty work and designating the party responsible for the re-assigned warranty work as a “consumer” under §1201.358(d) of the Standards Act becomes final if not appealed within thirty (30) days.
- (4) Failure to provide a required estimate in connection with an order to perform re-assigned warranty work, once that order has become final, may serve as grounds for an administrative action against the licensee.
- (5) Claims made by a consumer who is not a licensee and documentation of Fund claims -- when a consumer has a covered claim against a licensee and the licensee has not satisfied the claim, the Department shall take appropriate steps to make sure that the claim is proper and that all reasonable steps to satisfy the claim have been exhausted. In that regard:
- (A) The Department, working with the consumer, shall identify the specific section(s) of law or rule that gave rise to the damages;
 - (B) If the damages arose as a result of a violation of the Texas Deceptive Trade Practice – Consumer Protection Act, the specific violation must be adequately documented. Acceptable documentation would include a court order finding that such a violation had occurred or the establishing of confirmed facts that would specifically constitute such a violation, along with proof that the court order could not be satisfied. The specific violation must relate directly to the manufactured home or the sale transaction regarding the manufactured home. Tangentially related matters, such as deception in connection with actions as a mortgage broker or real estate broker, are generally not covered and the person responsible should be pursued in the other capacity through appropriate means.
- (c) Attorneys’ fees are subject to reimbursement from the Fund, subject to certain limitations. Before reimbursing a consumer for attorneys’ fees, the Department shall review the fee statement(s), which must indicate the specific services performed, the amount of work required, and the hourly rate(s) charged. Fees not directly relating to efforts to recover the unsatisfied claims are not reimbursable.

- (d) The Department shall require reasonable proof of efforts to collect the damages for which reimbursement from the Fund is sought.
- (e) The Department may require the assignment of claims against licensees for any amounts for which payments are made from the Fund. The Department may re-assign any and all such claims to any bonding company or other surety that reimburses the Fund for such payments.
- (f) If there is no licensee that can be assigned responsibility for warranty work or corrective action, the Department may enter into agreements with one or more licensees to perform such work after requesting bids from the qualified licensee(s) in the immediate area where the work is to be performed or if, because of the scope and nature of the work, there are no qualified local licensees, with such other licensees as may possess the resources and expertise to submit bids and perform the work. If the only acceptable remedy is the replacement of a home, the Department may negotiate with qualified manufacturers to identify the lowest cost acceptable resolution.
- (g) Notification of warranty work orders, inspections, and re-assigned warranty work
 - (1) When an inspection is to be conducted, other than an initial installation inspection, such as a follow-up installation inspection or a complaint inspection, the Department shall notify each licensee that has been assigned responsibility for warranty items, provided that the licensee still holds an active license, by notifying the licensee, by regular mail to their address of record, as on file with Department. If a party to be notified of an inspection is no longer licensed but has left a mailing address on file with the Department, such party shall be given notice of any such inspection by first class mail to that address.
 - (2) When warranty work orders are issued, they will be sent to each licensee to whom responsibility has been assigned. They shall be sent to the licensee by regular mail to their address of record, as on file with Department.
 - (3) If a licensee who has been assigned warranty responsibilities is no longer in business, the Department will, in addition to notifying their surety, notify them of the time and place of the inspection. Such notification to the out-of-business licensee shall be sent to them at their latest business address of record on file with the Department. Unless the out-of-business licensee advises the Department, in writing, on or before the date of the inspection or actually attends the inspection, the Department will re-assign the warranty work, if any, arising from the findings of the inspection to the retailer or manufacturer who is not out-of-business. The party to whom the warranty work is re-assigned shall perform the warranty work and shall be a consumer, as provided for in §1201.358(d) of the Standards Act, entitled to be reimbursed from the Fund.

- (4) Notification of the surety of an out-of-business or no longer licensed licensee is given in order to afford the surety an opportunity, in accordance with §1201.407 of the Standards Act, to participation in the informal dispute resolution process.
- (5) The Director shall consider the views of the surety, if any, as expressed in the informal dispute resolution process. However, the ultimate responsibility to determine how best to proceed rests with the Director, who shall make his or her decision based on a consideration of all relevant factors and the need to protect the health and safety of consumers and to carry out the purposes of the Standards Act.
- (6) Once a payment is made from the Fund, the Department shall file a claim under the bond of the party primarily responsible for the unsatisfied claim. In the case of re-assigned warranty work reimbursed by the Fund, the claim shall be against the bond of the party that is no longer in business or whose license has been revoked.
- (7) A surety bond issued in connection with a person or entity that is a licensee shall remain in effect with respect to that person or entity, even though the surety bond may be amended to cover one or more additional person or entities or to cover that person operating under one or more different names or identities UNLESS the amendment to the bond specifically terminates the bond with respect to such person or entity.

§80.134. Deceptive Practices.

- (a) The following practices will be considered by the Department as indications of deceptive or abusive practices. This section in no way limits or affects whether practices not enumerated or addressed herein are deceptive, abusive, illegal, or the basis for a claim or cause of action.
 - (1) Interim lending – To sell a manufactured home in a transaction that utilizes interim financing while an application for permanent financing is pending if the seller has any reason to believe that the purchaser will not qualify for the permanent financing.
 - (2) Price alterations – To sell or offer to sell a manufactured home at a price in excess of its advertised price based on whether the sale is for cash or financed.
 - (3) Role in credit transaction – To have a role in the financing of a manufactured home or any interest, direct or indirect, in a party providing such financing or acting as a third party settlement service provider with respect thereto unless that role is disclosed in writing to the consumer and the consumer is advised, in writing, of the right to obtain financing elsewhere without affecting the contractual terms, including price, relating to the purchase of the manufactured home.

- (4) Making any material representation about a manufactured home and failing to evidence it in a document that the purchaser may enforce.
- (5) Except for good cause shown, failure to submit the required forms to enable the purchaser to obtain evidence of good and marketable title within the time required by the Standards Act.
- (6) Failure to give the notice required by §1201.162 of the Standards Act, formaldehyde notice, or any other required notice.
- (7) If title to the manufactured home is in the name of any party other than the person negotiating and completing the sale transaction or the business on whose behalf he or she is acting, that fact must be disclosed, the identity of the true owner must be disclosed, and the person acting in that capacity must be acting as a licensed broker with authority to negotiate a sale that will result in the delivery of good and marketable title.
- (8) Installing a manufactured home in a wind zone or thermal zone for which it is not approved or delivering such a home to such a wind zone or thermal zone for installation by someone else.
- (9) Failure to provide a single contractual document that evidences all items to be provided in connection with the manufactured home and, if any such items are to be provided after the fact, specifying the estimated date by which they will be provided and the identity of any party other than the retailer responsible for any such items.
- (10) Failure to provide detailed specifications of any item to be delivered or provided in connection with the sale of a manufactured home if the item has a retail value in excess of \$250. For example, disclosing that a refrigerator is provided is insufficient. The disclosure should specify the make and model or describe the size and features. If any item will not be “new” this must be disclosed in writing.
- (11) Asking for or accepting any executed document that has not been completed or altering, without all parties’ signed agreement, any executed document.
- (12) Knowingly accepting or issuing any check or other instrument appearing on its face to be a *bona fide* payment but known not to represent good funds.
- (13) Accepting from a consumer any deposit or down payment, regardless of what it is called, without first giving the consumer a written statement setting forth:
 - (A) The amount of that deposit or down payment;

- (B) A clear statement as to whether the deposit or down payment is refundable;
 - (C) Any requirements or limitations relating to obtaining such refund;
AND
 - (D) Providing a written receipt identifying the name and address of the licensee taking the deposit or down payment and describing the manufactured housing transaction to which it relates.
- (14) Negotiating or offering any required refund of less than the full amount the consumer is entitled to receive by law.
 - (15) Requiring a purchaser to accept delivery of a manufactured home, whether new or used, without giving them an opportunity to inspect the home to make sure that it conforms to their contract. When the purchaser signs a document acknowledging that the home which has been delivered conforms to their contract, the sale becomes final, but this in no way affects the operation of any warranty required by law or granted contractually or affects or abridges any rights or obligations of either of the parties to the transaction.
 - (16) Failing to identify one's self as a licensee by displaying the type and license number on a business card or advertisement.
- (b) Other disclosures: On the sale of a used home, the retailer or broker must provide the purchaser with a disclosure advising the consumer either that they will be responsible for the installation (which will have a written warranty of not less than one year) or, if they will not be installing the home, a statement that they will not be installing the home and therefore will not be providing any warranty as to installation.

§80.135. *Manufactured Housing Auctions.*

- (a) Auction of Manufactured Housing to Texas Consumers.
 - (1) The person(s) selling more than one home through an auction in a twelve (12) month period must be licensed as a retailer with this department and the specific location at which the auction is to be held must be bonded in accordance with the Standards Act.
 - (2) The auctioneer must be licensed as a manufactured housing salesperson with the Texas Department of Housing and Community Affairs and licensed as an auctioneer, pursuant to the Texas Auctioneer Act, Article 8700.
 - (3) The retailer must notify this department in writing at least thirty (30) calendar days prior to the auction with such notice to contain the date, time, and physical address and location of the proposed auction.

- (4) The retailer must keep and maintain a file copy of all notices, circulars, or advertisements of any kind relating to the auction of manufactured housing.
 - (5) A manufactured home that has been salvaged or is not habitable may not be sold, conveyed, or transferred to a consumer as a manufactured home for dwelling purposes. The seller must surrender the title and HUD label or Texas Seal, or a statement that there was no label or seal, to the department along with the required fee and an application to cancel the title to business use, before the home is auctioned.
 - (6) The retailer must give notice to each person attending the auction, and the notice shall contain the following:
 - (A) a statement that the homes offered for sale are habitable pursuant to §8(b) of the Standards Act;
 - (B) a statement that any home purchased at the auction must be installed by a installer licensed with this department;
 - (C) the appropriate warning concerning formaldehyde as required by §20 of the Standards Act; and
 - (D) the appropriate notice regarding home construction and Wind Zone standards as outlined in the Standards Act.
 - (7) The retailer shall retain sales records as required by §80.121 of this title (relating to Retailer's Responsibilities) if the home is sold to a consumer.
- (b) Auction of Manufactured Housing to Licensed Retailers.
- (1) No license with the department is required of a lender whose repossessed manufactured homes are being auctioned, if the lender is selling to a retailer who is licensed with the department. The auctioneer must be licensed only pursuant to the Texas Revised Civil Statutes, Texas Auctioneer Act, Article 8700.
 - (2) The auctioneer must notify the Texas Department of Housing and Community Affairs at least thirty (30) calendar days prior to the auction. Such notice must contain the date, time, and physical address and location of the proposed auction.
 - (3) The auctioneer must keep and maintain a file copy of all notices, circulars, or advertisements of any kind relating to the auction of manufactured housing.
 - (4) The auctioneer must keep and maintain an accurate register of all persons attending the auction. This register should show the name of the individual, the manufactured housing retailer business name, the address

of the retailer, and the current license number of the manufactured housing retailer.

- (5) The auctioneer must keep and forward to the Texas Department of Housing and Community Affairs immediately following the auction, a complete list of all manufactured homes sold at such auction including the name of manufacturer, model, serial and HUD numbers, along with the name, address, and license number of the retailer purchasing the home.
- (6) In lieu of the auctioneer maintaining and filing the information in paragraphs (1)-(5) of this subsection with the department, the consigner of the manufactured homes may contract with the auctioneer to file the information with the department.

§80.136. Homes Acquired on or after January 1, 2002.

- (a) When a retail sale of a manufactured home occurs and that home will be treated as real property under §19A of the Standards Act:
 - (1) The closing of that sale must occur at either a title company authorized to do business in Texas, an attorneys' office, or an office of a federally insured depository institution, regardless of whether the manufactured home or the real property on which it will be located is or will be the homestead of the purchaser.
 - (2) It is the responsibility of the seller of the home to surrender the document of title or Manufacturer's Certificate of Origin for cancellation in accordance with §19(l) of the Standards Act. If the document of title or Manufacturer's Certificate of Origin has been delivered to a third party, such as an inventory lender or a title company, that third party must agree, in writing, to act as the retailer's agent and surrender such documents as required by §19(l) of the Standards Act and these rules.
 - (3) If §19(l) of the Standards Act requires a document of title or Manufacturer's Certificate of Origin to be surrendered for cancellation, the surrender is to be effected not later than one calendar month, not to exceed thirty-one (31) days, from the later of the date of the closing of the transaction or the date of actual installation and availability for occupancy that gave rise to the requirement of surrendering for cancellation.
 - (4) The installation must occur in a manner that satisfies either:
 - (A) the requirements for Federal Housing Administration (FHA) Title I mortgage insurance;
 - (B) the requirements for FHA Title II mortgage insurance;
 - (C) the requirements of Federal Home Loan Mortgage Corporation (FHLMC) for long term mortgages, or

- (D) the requirements of Federal National Mortgage Association (FNMA) for long term mortgages.
- (5) The method or manner of installation must be supported by documentation establishing the particular requirement with which it complies and the basis on which it was concluded that such particular requirement and particular department standard were met, such as a report by;
 - (A) an FHA, FNMA, or FHLMC approved inspector;
 - (B) an engineer, architect, real estate inspector, or appraiser licensed by the state of Texas; or
 - (C) an inspector employed by and inspecting for the state of Texas or a local government in Texas.
- (b) When a manufactured home is installed or re-installed, the licensed installer (or, in the case of a retail sale of a new home, the retailer) shall provide to the Department a statement as to the name of the legal owner(s) of the property on which such manufactured home is being installed.

§80.137. Required Forms.

- (a) The following forms are required by the Department to be used for the purposes described therein, as set forth in the Standards Act:

(1) Notice of Installation/Form T;

Texas Department of Housing and Community Affairs
DIVISION OF MANUFACTURED HOUSING (“DMH”)
P. O. BOX 12489 Austin, Texas 78711-2489
(800) 500-7074, (512) 475-2200 FAX (512) 475-1109, Internet Address: www.tdhca.state.tx.us
Pursuant to the Texas Manufactured Housing Standards Act, Occupations Code, Chapter 1201

NOTICE OF INSTALLATION (FORM T)

HUD Label or Texas Seal # (s): _____ Serial # (s): _____

New: () Used: () Manufacturer Name: _____ License No. _____

Manufacturer Address, City & State: _____

Home Size - Width / Length: _____ X _____ Weight _____ Date of Manufacture: ____/____/____ Model / Name: _____

Legal Description (use additional page if necessary):

Lot _____ Block _____ Survey _____ City _____ County _____ Vol _____ Pg _____

Name of property owner IF OTHER THAN THE CONSUMER: _____

Draw A Map To Provide Directions To Home On The Other Side Of This Page

Consumer: _____ Actual Installation Date: ____/____/____ Wind Zone on Data Plate: I () II () III ()

Does the Data Plate state, “As designed and constructed, this home is suitable for installation only in humid and fringe climates as shown on the Humid and Fringe Climate Map provided with this data plate?” Yes _____ No _____

Mailing Address: _____ ZIP: _____

Site Address: _____ Within City Limits of _____ ZIP: _____

Phone Numbers: Home (____) _____ Work: (____) _____

	Name	Address	License #	Expiration Date	Phone #
Retailer					
Installer					

Is installation part of sales contract of used home?
Yes () No () Not Applicable ()

Does retailer or installer provide skirting?
Yes () No ()

- The home has been installed in accordance with:
- () 1. Manufacturer’s Home Installation Instructions (Provide page number or option _____)
 - () 2. State Generic Standards
 - () 3. DMH Pre-approved Foundation System (Provide Reference to DMH Approval Letter) _____
 - () 4. Custom Designed Foundation System (Attach a copy of the drawing for this system and provide a reference, if applicable, to any drawing previously submitted.) _____

IF NO METHOD IS CHECKED, IT WILL BE PRESUMED THAT OPTION 2 (STATE GENERIC STANDARDS) WAS USED.

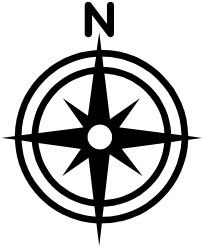
THE RETAILER OR INSTALLER MUST FILE THIS FORM T, PLUS THE REQUIRED INSPECTION REPORTING FEE, WITH THE DEPARTMENT WITHIN 30 DAYS OF THE INSTALLATION. THIS REQUIRED FEE MAY BE COMBINED WITH THE APPLICATION FEE FOR THE STATEMENT OF OWNERSHIP AND LOCATION., IF THIS FORM T IS FILED WITH THE APPLICATION FOR THE STATEMENT OF OWNERSHIP AND LOCATION.

I verify that I am a licensed retailer or installer, that I am responsible for the installation described, and that the information supplied is true and correct.

Signature (Retailer/Installer)

Printed Name and Title

DRAW MAP BELOW



(2) Down Payment Verification Affidavit;

DOWN PAYMENT VERIFICATION AFFIDAVIT (Required)

BLOCK 1: Home Information (Must be completed.)

Manufacturer Name:			License #:		
Manufacturer's Address/City/State/Zip					
Model:		Total Sq. Ft.:		Date of Manufacture:	
<i>Label/Seal Number</i>		<i>Complete Serial Number</i>		<i>Weight</i>	<i>Size</i>
Section One:					
Section Two:					
Section Three:					
Wind Zone:		Thermal Zone:		Roof Load Zone:	

BLOCK 2: Retailer and Consumer Information

Retailer Name:			License #:		
Retailer's Address/City/State/Zip					
Salesperson's Name:			License #:		
Consumer(s) Name					
Deposit Amount: \$					

BLOCK 3: SWORN STATEMENT (Notarization Required)

The Retailer, the Salesperson, and the Consumer(s), under being first duly sworn, do hereby state as follows:

The Manufactured Home is to be sold to the Consumer(s) by the Retailer in a transaction that is being handled by the Salesperson and will be subject to financing. Any creditor that will be providing such financing requires that the source of any Down Payment being provided by the Consumer(s) be verified.

1. The Retailer, the Salesperson, and the Consumer(s) have verified that the Down Payment has been actually received by the Retailer and the consumer states that it came from (check one below):

- money on deposit in an account owned by the Consumer(s)
- a *bona fide* gift to the Consumer(s) from _____, with no obligation for the Consumer(s) to repay all or part thereof.
- a loan to the Consumer(s) from _____
- Other (describe): _____

2. The Retailer, the Salesperson, and the Consumer(s) each verify and confirm that no portion of the Down Payment was provided or will be provided by the Retailer or the Manufacturer or by a rebate from either of them.

3. The **Consumer** hereby verifies that the amount of the down payment is the true amount noted on my retail installment contract.

I (We) certify that the statements set forth herein above are true and correct.

<i>Consumer</i>	<i>Consumer</i>
<i>Retailer's Authorized Representative</i>	<i>Salesperson</i>

Sworn and subscribed before me this _____ day of _____
(month) (year)

<i>Signature of Notary</i>	SEAL
<i>Printed Name of Notary</i>	

(3) Estimate for Reassigned Warranty Work.

Estimate for Reassigned Warranty Work

Part I – Labor and Materials

1) Number of item on inspection report and description of proposed correction:

Estimated time:

Hourly rate:

Itemized cost of materials:

2) Number of item on inspection report and proposed correction:

Estimated time:

Hourly rate:

Itemized cost of materials:

3) Number of item on inspection report and proposed correction:

Estimated time:

Hourly rate:

Itemized cost of materials:

The undersigned represents that:

- (1) the actual costs for labor charged to the Texas Department of Housing and Community Affairs, Division of Manufactured Housing and/or the Manufactured Homeowner's Recovery Trust Fund will not exceed the actual number of hours expended, rounded to the nearest quarter of an hour increment, times the hourly rate specified above;
- (2) the actual costs for materials charged to Texas Department of Housing and Community Affairs, Division of Manufactured Housing and/or the Manufactured Homeowner's Recovery Trust Fund will not exceed the costs actually charged to the undersigned and such costs do not exceed the costs at which the undersigned is able to obtain such materials for its own account; and
- (3) the hourly rate being charged by the undersigned does not exceed the normal hourly rate at which the specified individuals customarily provide their services.
- (4) If the work to be performed involves any repair or alteration that would require DAPIA approval, such approval has been obtained and a copy of such approval, together with all DAPIA-approved drawings relating thereto, is attached.

Part II – Other Costs and Expenses

Travel

Starting location (must be the closer of the nearest office to the site of the re-assigned warranty work or the in-state service center for the licensee)

Estimated round-trip mileage:

Mileage is reimbursable at the greater of the rate of \$0.35 per mile, not to exceed \$75.00 per day, or the State of Texas approved rates from time to time in effect for reimbursement of state employees' travel expenses.

Itemized list of any other travel costs:

Lodging

Name, location, and rate (actual cost not to exceed the rate approved for reimbursement of State of Texas employees)

Reimbursement for overnight lodging is to include the actual room rate and any applicable taxes but does not include any long distance telephone calls, entertainment, food, or beverages. Reimbursement may not exceed the State of Texas approved rates for reimbursement of state employees' lodging.

Meals

Reimbursement for meals shall not exceed the greater of \$30.00 per day or the State of Texas approved rate for reimbursement of state employees' meals while traveling. Alcoholic beverages are not subject to reimbursement.

Administrative and oversight costs

Provide an explanation of the necessary administrative services, including the number of hours required and the hourly rate of each person providing such services. Administrative services may not exceed 20% of the total estimate.

This estimate submitted this ____ day of _____, _____.

Name of Licensee: _____

License number: _____

Signature of licensee or duly authorized
Officer or Representative

Printed Name of licensee or duly authorized
Officer or Representative

- (b) Any alternative form or any modification of any of the foregoing forms may be accepted by the Department if the Director determines that all information necessary to the administration of the Standards Act has been provided and that in all other respects the alternative form or modified form is acceptable AND the director has evidenced such approval in writing prior to the acceptance of any such alternative or modified form. The director may require a legal opinion from counsel for the person seeking to use an alternative or modified form that it complies with the Standards Act and addressing such other legal issues as the director may determine. The director may place limitations or conditions on the approval of any alternative or modified form.

SUBCHAPTER F. CONSUMER NOTICE REQUIREMENTS

§80.180. Formaldehyde Notice Requirements.

- (a) The consumer notice related to formaldehyde must be posted in the home in accordance with the FMHCSS.
- (b) In addition to the requirement of subsection (a) of this section:
- (1) A retailer shall deliver a copy of the "Important Health Notice" prescribed by HUD to the consumer before the execution of any mutually binding sales agreement.
 - (2) The consumer must sign the copy of the notice. The retailer shall keep the originally signed copy in the permanent sales file and shall give a copy to the consumer at the time the original copy is signed. If requested, the retailer shall deliver a copy of the signed notice to the manufacturer of the home.
 - (3) The copy of the notice to be signed by the consumer may be reduced in size from the notice required to be posted in the home and may be entirely reproduced in either red or black. This copy of the notice must be on a form approved by the department, dated, and must contain the following certification immediately above the place for the consumer's signature in bold face type which is at least eight points in size: "I (We) certify that this Important Health Notice was prominently displayed in the kitchen of the manufactured home being purchased and further that this notice was given to me (us) on the date shown and prior to the signing of any binding agreement. I (We) have read the notice and understand it."

SUBCHAPTER G. TITLING

§80.202. Fees for Title Documents.

- (a) Title Transaction Fees.
- (1) There shall be a fee of \$55 for each title transaction. The fee shall be submitted in the form of a cashier's check or money order payable to the Texas Department of Housing and Community Affairs. The fee shall

accompany the required documents forwarded to the Manufactured Housing Division of the department at its principal office in Austin. Ten dollars of the fee for each title transaction shall be deposited in the HORF. A title transaction is the issuance, reissuance, reinstatement, cancellation or recordation of:

- (A) a document of title;
 - (B) Certificate of Attachment;
 - (C) a salvage title;
 - (D) a Manufacturer's Certificate of Origin;
 - (E) the filing of an inventory financing lien;
 - (F) the filing of foreclosure documents or a repossession affidavit; and
 - (G) the recording of a transfer of ownership from a lienholder to or through a retailer.
- (2) There shall be a separate filing fee of \$150 when a certification form is provided for a home that is permanently affixed.
- (3) There shall be a separate transaction fee of \$55 for Quick Title Service related to the issuance of titles in addition to the \$55 for each title transaction. Quick Title Service shall be defined as the processing of the documents related to a title transfer within three (3) working days from the day the application is received in the Manufactured Housing Division. Title transfer documents must be received in good order in the department's manufactured housing division in Austin for the issuance of a manufactured housing title on a Quick Title Service basis. Title transfer documents which are not in good transfer order or which are incomplete will be returned to the sender, and the title application will be processed within three (3) working days from the date that correct and completed documents are received. All quick title applications must be submitted by overnight mail or delivered in-person.
- (b) If a correction of a document is required as a result of a mistake by the department, the issuance of a new document shall not require a fee.
- (c) All persons licensed with the department as a manufacturer, retailer, broker, or installer may submit company or business firm checks in payment of any fee described herein. All state or federally chartered banks, savings banks or savings institutions and all commercial lenders or mortgage bankers who extend credit for the retail purchase of manufactured homes may also pay any fees with company or business firm checks at the discretion of the department. All checks shall be made payable to the Manufactured Housing Division of TDHCA.
- (d) One check may be submitted in payment of the aggregate fees for multiple transactions or the issuance of more than one document. When multiple applications

are submitted, a form prescribed by the department must be included which shall identify each application and reconcile the fee for each application with the total amount of the check.

- (e) There shall be a fee of \$20 for any title search which shall be paid to the department by the requesting party in the form of a cashier's check or money order. The request must be in writing and must state the specific information being requested.

§80.203. *Manufacturer's Monthly Shipment Report.*

- (a) Every manufacturer shall submit a monthly report to the department of all manufactured homes produced during the preceding month for shipment to any point in Texas. The report shall contain the following information:
 - (1) the HUD label number(s);
 - (2) the serial number(s);
 - (3) the license number of the retailer as assigned by the department;
 - (4) a designation as to single or multiple sections; and
 - (5) the name and address of the purchaser, consignee, or person to whom it was shipped.
- (b) The manufacturer's monthly shipment report shall be filed with the department by the 15th day of the month following the manufacture of the home and/or shipment.
- (c) If a manufacturer has no sales, consignments, or shipments to any person or place during any month, the report must be filed stating such fact.

§80.204. *Titling Forms.*

- (a) Manufacturer's Certificate of Origin (MCO).
 - (1) The manufacturer shall issue a Manufacturer's Certificate of Origin (MCO) for each new home which is consigned, transferred, or sold by the manufacturer to a retailer in this state. The certificate of origin information shall be on a form prescribed by the department or it will be returned for reissuance.
 - (2) The MCO shall be surrendered to the department upon application for the issuance of an initial document of title to the home or the application for Certificate of Attachment.
 - (3) If a new home is sold by an out-of-state retailer to a consumer in this state and the MCO is not on the form prescribed by the department, there must be attached to the original MCO a separate sheet certified by the manufacturer which contains all of the information required by the Texas MCO.
- (b) Application for Issuance of Document of Title, or Certificate of Attachment to a Manufactured Home.

- (1) The manufactured home document of title, or Certificate of Attachment shall be issued on the basis of information submitted on a properly executed application for a document of title containing the following information:
 - (A) a description of the home including the manufacturer's name and address;
 - (B) the model designation;
 - (C) the number of sections of the home;
 - (D) the total square feet of the home;
 - (E) the HUD label or Texas seal number and serial number;
 - (F) the weight and size of each section, excluding the hitch;
 - (G) the Wind Zone reflected on the MCO if available; and
 - (H) if available, the date of manufacture reflected on the MCO (the "date of manufacture" is the date the home was produced and the HUD label affixed to the home and is not to be construed as the "year model").
 - (2) The MCO shall accompany the application for a document of title or Certificate of Attachment on the original sale from retailer to private individual.
 - (3) Other information shall include, but not be limited to, the following:
 - (A) the name(s) and address(es) of the seller(s) and the county where currently installed;
 - (B) the name(s) and address(es) of the purchaser(s) and the county and location where the home will be installed;
 - (C) the name and address of the lienholder, if any, and the date of the lien.
 - (4) The department may return the application without processing if the lienholder information is not complete or appears to have been modified.
 - (5) The right of survivorship may be elected by the purchasers or transferees. The document of title shall indicate whether the right of survivorship has been elected.
 - (6) The application must contain the signatures of seller(s) and purchaser(s).
 - (7) The application and fees shall be submitted to the Manufactured Housing Division at the Austin headquarter's office, with supporting documents.
- (c) Installation Information.

- (1) The installation information, on forms approved by the department, must accompany each application for a document of title, or Certificate of Attachment and shall contain the following information:
 - (A) description of the home, including:
 - (i) serial number;
 - (ii) HUD label number or Texas seal number;
 - (iii) size of home;
 - (iv) name of manufacturer;
 - (v) Wind Zone, if available; and
 - (vi) map of the location of the home.
 - (B) whether or not the home was, or will be, moved as a result of the sale or transfer;
 - (C) whether or not the home was, or will be, installed at a new location as a result of the sale or transfer;
 - (D) the location of the home immediately prior to the sale or transfer;
 - (E) if moved, or to be moved, the location of the home after the move and the name and address of the person or company that moved, or will move, the home; and
 - (F) if installed, or to be installed, the location of the home after installation; and the name and address of the person or company that installed, or will install, the home.
 - (2) If the home was installed as a result of the sale or transfer, the installation fee required under §80.20(b) of this title (relating to Fees) must be submitted along with the installation information (Notice of Installation Affidavit). The installation fee may be combined with the titling fee for each home.
- (d) **Manufactured Home Document of Title.**
- (1) The department shall maintain records of ownership of manufactured homes. The department shall issue a manufactured home document of title for each manufactured home, except of the manufactured homes that are not titled by virtue of their being real property, which shall set forth the ownership of the home in accordance with the records of the department.
 - (2) The document of title shall contain the following information:
 - (A) the date of the certificate and the number of the certificate;

- (B) the name(s) and address(es) of the purchaser(s) of the home and the county where the home is installed for occupancy;
 - (C) the name and address of the manufacturer, the model designation of the home, the number of sections, and the total square feet of living space in the home;
 - (D) the HUD label and/or Texas seal number, the serial number, and the size (excluding hitch) and the weight of each transportable section of the home;
 - (E) the name and address of the seller of the home;
 - (F) the date of any lien(s) and the name(s) and address(es) of the lienholder(s);
 - (G) designation of right of survivorship;
 - (H) the date of manufacture reflected on the MCO if available (the "date of manufacture" is the date the home was produced and the HUD label affixed to the home and is not to be construed as the "year model");
 - (I) Wind Zone, if available;
 - (J) a statement to the effect that the document of title may not reflect the existence of a tax lien notice filed for the manufactured home since the document of title was issued and that information about tax liens for which notice has been filed may be obtained from the department on written request.
- (3) Each certificate shall be authenticated by the facsimile signature of the director. The facsimile signature shall be that of the person holding such position at the time the certificates are printed, and the validity of the certificates is not affected by any subsequent change.
- (4) The department shall issue a manufactured home document of title in the following cases:
- (A) after receipt of a properly executed application for a document of title, Notice of Improvement Attachment, or Notice of Attachment, installation information on forms approved by the department, and the MCO upon the initial retail sale;
 - (B) after receipt of a properly executed application for a document of title, Notice of Improvement Attachment, installation information on forms approved by the department, and the original manufactured home document of title when there is a transfer of ownership or the addition of a lien or lienholder;

- (C) after receipt of a properly executed application by the owner for cancellation of the Certificate of Attachment due to the sale or transfer and removal of the home from the real property, and following an inspection by the department for habitability; notice of the cancellation of the Certificate of Attachment shall be filed with the county in which the real property is located.
 - (5) If the home is subject to any lien, the original of the document of title shall be mailed to the first lienholder of record. A nontransferable copy shall be mailed to the purchaser(s) and to the second lienholder, if any. If no lien exists, the original shall be mailed to the purchaser(s).
- (e) Certificate of Attachment.
- (1) In the event that a manufactured home is real property either because the owner has surrendered the document of title or no document of title has been issued because the manufactured home has been installed on property owned by the owner of the manufactured home, then the department shall issue a Certificate of Attachment.
 - (2) The Certificate of Attachment shall contain the following information:
 - (A) the name and address of the owner of the manufactured home;
 - (B) the legal description of the real property where the manufactured home is installed;
 - (C) the name and address of the manufacturer of the manufactured home, the model designation of the home, the number of sections, the HUD label and/or Texas seal number, the serial number, and the size (excluding hitch) of the manufactured home;
 - (D) certification by the department that the Manufacturer's Certificate of Origin or any document of title have been canceled; and
 - (E) name, address and license number of the selling retailer.
- (f) Disclosure Required by §21(b) of the Standards Act.
- (1) The disclosures required by §21(b) of the Standards Act are required to be given prior to the transfer of title to a manufactured home.
 - (2) Such disclosures are to be provided to the purchaser of a manufactured home in written form from a manufactured home retailer (or to one of the purchasers if more than one (1) purchaser). Acknowledgment of receipt by the purchaser is not required.

§80.205. Titling Transactions.

- (a) Corrected Manufactured Housing Document of Title.
 - (1) The department shall make corrections to a manufactured home document of title upon receipt of a properly executed application for a document of title and the previously issued original.
 - (2) The corrected certificate of ownership shall be mailed to the lienholder of record if a lien is recorded and a copy shall be mailed to the purchaser(s) and any other lienholder(s). If no lien exists, the original shall be mailed to the purchaser(s).
 - (3) No fee shall be required for this transaction if an error was made by the department.
- (b) For manufactured homes that are presumed to be personal property pursuant to §2.001 of the Property Code, the department shall issue a certified copy of the original manufactured home document of title or of the nontransferable copy upon receipt of a properly executed application for a document of title. If a lien is recorded on the document of title, the certified copy of the original document of title shall be mailed to the lienholder of record.
- (c) Inventory Financing Liens.
 - (1) A lien and security interest on manufactured homes in the inventory of a retailer, as well as to any proceeds of the sale of those homes, is perfected by filing an inventory finance security form approved by the department and in compliance with these sections.
 - (2) The creditor-lender financing the inventory and the retailer must execute a security agreement which expressly sets forth the rights and obligations of the two parties in the inventory finance arrangement.
 - (3) The inventory finance security form shall contain the following:
 - (A) signatures of both the retailer and the creditor-lender;
 - (B) the name, sales location, address, and license number of the retailer; and
 - (C) the name and address of the creditor-lender.
 - (4) A separate form must be filed for each licensed sales location.
 - (5) For manufactured homes for which no document of title has been issued, the filing of the inventory-finance security form perfects a security interest in all manufactured homes, whether then owned or thereafter acquired, as well as to any proceeds of the sale of those homes, provided that:

- (A) the home is financed by the creditor-lender;
 - (B) the creditor-lender has advanced any funds for the home; or
 - (C) the creditor-lender has incurred any obligation for the home.
 - (D) This security interest attaches to a particular manufactured home only when the act described in either subparagraph (A), (B), or (C) of this paragraph would either:
 - (i) enable the retailer to acquire the manufactured home;
 - (ii) pay the existing balance of a creditor-lender for funds secured by a security interest in the manufactured home;
 - (iii) in the event that the retailer and manufacturer are the same entity, pay funds to the manufacturer-retailer after completion of the manufacture of the manufactured home; or
 - (iv) in the event that the retailer has no debt owed against untitled new inventory, enable the retailer to use the manufactured home as security for a new debt.
 - (6) No provision in the security agreement between the parties to an inventory financing arrangement shall in any way modify, change, or supersede the requirements of this section for the perfection of security interests in manufactured homes in the inventory of a retailer.
- (d) For Release of Lien.
- (1) The lienholder of a lien recorded on a manufactured home document of title with the department shall deliver a properly executed release of lien form prescribed by the department to the owner of record within thirty (30) calendar days of the satisfaction of the debt or obligation secured by the lien.
 - (2) The lien recorded on a manufactured home document of title recorded with the department shall be released by the department upon receipt of a release of lien form properly executed by the lienholder of record, and a new document of title shall be issued to the owner(s) of record if the manufactured home is not real property.
- (e) Foreclosure or Repossession.
- (1) In the event of sale after either foreclosure or repossession of a manufactured home that is not real property, the department shall issue a new manufactured home document of title in the name of the purchaser, upon receipt of a properly executed application for title containing the following information:
 - (A) The description of the home shall be included along with an indication of whether the home is a foreclosure or repossession;

- (B) The name and address of the lienholder and name of the person authorized to sign for the lienholder; and
 - (C) An indication of whether the home was repossessed by judicial order or sequestration. A true copy of the order or bill of sale shall be attached.
 - (D) A certification that the home will not be located on the same property of the previous owner.
- (2) In the event of foreclosure or repossession of a manufactured home that is not real property, the department will not issue a new manufactured home document of title until receipt of release of lien.
- (f) Surrender of Title Documents for Cancellation.
- (1) The department shall cancel any outstanding title to a manufactured home upon receipt of a properly executed application or Notice of Installation Affidavit. Title documents shall be surrendered for cancellation in the following instances:
 - (A) The manufactured home, or transportable section, has been permanently affixed to real estate and is defined as real estate by the Property Code;
 - (B) The manufactured home, or transportable section, has been declared salvage as defined in §8 of the Standards Act; or
 - (C) The manufactured home has been sold, exchanged or transferred by lease purchase for business use.
 - (2) The department will not cancel a document of title if a lien is filed with the department or recorded on the manufactured home document of title. In either such instance, the department will notify the owner and each lienholder that the title has been surrendered for cancellation, and that the department will not cancel the title unless the lien is released.
- (g) Right of Survivorship: If two or more eligible persons are shown as purchasers or transferees, they may execute the right of survivorship election on an application for title. Such election constitutes an agreement for the right of survivorship. If the survivorship election is taken, then the department will issue a new document of title to the surviving person(s) upon receipt of a copy of the death certificate of the deceased person(s), and a properly executed application for title.

§80.206. Assignment of Lien.

- (a) A lien may be assigned from one lienholder to another by completing a properly executed application for title requesting the assignment of lien. The application for title must be signed by both lienholders and supported by the outstanding title, a copy of the assignment agreement, and the fee.

- (b) Should two lienholders anticipate assignments of lien for a large number of homes, they may prefile a copy of the assignment agreement with the department. The department will assign a file number, and the lienholder may reference the file number in place of including a copy of the assignment agreement with each application.

§80.207. *Reinstatement of Canceled Documents of Title.*

- (a) A manufactured home document of title issued by the department which has been canceled because the home has been permanently affixed to real estate upon inspection by the department for habitability and upon representation by the owner of the owner's intent to transfer or sell the manufactured home may be reinstated subject to the following documents being filed with the department:
 - (1) a properly executed release of lien releasing any lien resulting from a security interest in the home from the lender;
 - (2) if no lien or security interest exists, an affidavit executed before a notary public that no lien or security interest exists;
 - (3) a properly executed application for reinstatement accompanied by a certified check or money order for \$35;
 - (4) a certification from a title insurance company authorized to do business in Texas that no other liens exist on the manufactured home and if a Certificate of Attachment to real estate has been filed in the deed records of the county in which the real estate is located, that a notice of removal from real estate has been filed in the deed records of the county in which the real estate from which the home was removed is located; and
 - (5) written request for a habitability inspection to ensure that the home is habitable. The request must be accompanied by the required fee of \$100.
 - (6) If the title is being transferred, a properly executed application for title must be submitted along with the fee required by §80.202 of this title (relating to Fees for Title Documents).
- (b) If a manufactured home document of title has been canceled as a result of the home having been previously sold for business use, the department will reinstate the title subject to the following:
 - (1) receipt of a written request for an inspection of the home to determine if the home is habitable. The required fee must accompany the application; and
 - (2) following the inspection, a written finding by the inspector that the home is habitable; and, if so
 - (3) the receipt of a properly executed application for reinstatement accompanied by the proper transaction fee; and

- (4) if title is being transferred, a properly executed application for title accompanied by the proper fee.

§80.208. Recording Tax Lien on Manufactured Homes.

- (a) For all manufactured homes sold, or to which ownership is transferred, after December 31, 1985 and before August 31, 2001 and for all manufactured homes that are not real property sold, or to which ownership is transferred after December 31, 1985, the recording of a tax lien notice filed with the department constitutes constructive notice of the existence of the lien to all purchasers of the manufactured home who purchase it after the date of recordation of the lien and before the collector for the taxing unit files a notice canceling the tax lien.
- (b) If a tax lien filed with the department in accordance with this section ceases to exist, the collector for the taxing unit shall file a notice with the department stating that the lien no longer exists. Such notice shall be filed no later than ten (10) calendar days after payment of the taxes.
- (c) A personal property tax lien may not be enforced against a manufactured home transferred to a bona fide purchaser who does not have constructive notice of the existence of the lien.