

SECTION 3: UNDERSTANDING WHO'S WHO IN THE MANUFACTURED HOME PURCHASE PROCESS

There are a number of professionals involved in buying any home. Some of the same housing professionals commonly used when purchasing a site-built home — lenders, real estate professionals, and inspectors — are also employed when buying a manufactured home. A few other professionals — such as manufacturers, retailers, site preparation contractors, transporters and installers — are unique to the process of purchasing a manufactured home. Because you will need to work with a variety of professionals, it is important for you to know who is responsible and accountable for what. Below are brief descriptions of the roles of each of the professionals you may encounter in the manufactured home purchase process.

Manufacturer	Inspector
Retailer	Appraiser
Real estate professional	Escrow and title officers
Developer	Surveyor
Lender	Insurance agent
Site preparation contractor	HUD
Transporter	State regulators
Installer	Housing counselor



The Manufacturer

Manufacturers build manufactured homes in factories. As of November 2003, there were approximately 60 major manufacturers operating 210 factories nationwide.¹² To keep transportation costs reasonable, your home will usually be built in a plant no more than 250 miles away. Many factories offer scheduled tours. A tour is a good way to learn about a particular manufacturer, the manufacturing process and the types of manufactured homes a company is building. Many manufacturers construct a range of models for different budgets, but some specialize in entry-level or high-end homes.



The Retailer

A manufactured home retailer is a businessperson licensed to sell new and previously owned, unsited manufactured homes. Most manufactured homes are sold through retail sales centers, many of which

¹² National Conference of States on Building Codes and Standards. Annual Listing for Manufactured Housing Institute, November 2003.

are independently owned and operated. Others are owned and operated by a manufacturer. When you visit a retail sales center, a retailer will show you different types of homes. Retailers offer a range of products and services in addition to helping you select your home and its features. These products and services may include arranging for financing, insurance, site preparation, transportation, installation and your home's placement. **It is important, however, for you to shop independently for each of these services to ensure that you get the best prices and terms.**

The Real Estate Professional

If you plan to shop for your own land, or to buy a manufactured home already in place on owned land or in a rental community, you probably will need the services of a real estate professional. A real estate professional is licensed by the state and has been specially trained to sell homes, buildings and land. Real estate professionals facilitate a real estate sale by matching buyers and sellers, listing properties, negotiating sales prices and executing sales contracts. They are usually paid a commission from the money the seller makes from the sale. Real estate professionals usually sell manufactured homes that have already been installed on a site, or vacant land for placement of a manufactured home.

The Developer

If you are thinking about buying a manufactured home in a planned subdivision, you may be able to purchase your home directly from the real estate developer. Real estate developers buy tracts of land, install roads and utilities, may add community amenities like parks, and then subdivide individual lots for sale to manufactured home buyers.

The Lender

Almost everyone who buys any kind of home gets a loan to pay for it from a lender. Lenders can be banks, savings and loans, credit unions, mortgage companies, government agencies, private individuals, nonprofit organizations and finance companies, depending on the type of financing you are seeking. There are two basic ways to finance a manufactured home: personal property loans or real estate loans. Personal property financing is used when the manufactured home is purchased separately from the land, and real estate financing is used when the home and land meet certain requirements, and generally, are purchased together as real property. For more details about these financing options, see section 7, *Understanding Financing Options for a Manufactured Home*.

Loan Brokers

A loan broker is like an independent loan officer working on a commission. Most loan brokers do not lend their own money, but they represent a bank or other lender who will actually make the loan. A loan broker can take your loan application, check your credit and collect all of the information necessary to make a loan decision. Retailers often serve as loan brokers for manufactured home financing.



The Site Preparation Contractor

If you are placing an unsited manufactured home on your own land, you may need to hire a site preparation contractor to help prepare the site properly before installation. You may be able to do some of the site preparation, but many tasks require professional expertise. Your retailer may provide site preparation services and include them in your home's purchase price. Otherwise, you will need to hire and pay for a site preparation contractor independently. Site preparation contractors can help with leveling the site; grading and sloping the soil away from the home for water run-off; compacting fill soil to prevent the foundation from sinking or shifting; clearing trees, rocks and other debris from the area where the home will sit; installing a driveway so that the transporter is able to reach the site; constructing a foundation; installing a well and septic tank if in a rural area; and connecting utilities.



The Transporter

If you are purchasing a new manufactured home, your home normally will be transported from the factory to the retail sales center. To transport any unsited manufactured home — new or previously owned — from the retail sales center to your home site, the retailer normally hires a transporter and includes the transportation costs in the home's purchase price. Alternatively, you could hire and pay for your own transportation services.



The Installer

An installer is responsible for setting up your manufactured home according to the manufacturer's instructions. When you buy a new manufactured home and place it on land you own, your installer usually is either the retailer or a contractor hired by the retailer. Installation is often included in a manufactured home's price. However, make sure your contract includes installation services from your retailer (and their costs) *before* you sign it. If installation is not included, you will have to hire a contractor independently.

The Inspector

Like all homebuyers, you should hire and pay for a professional housing inspector to check the structural and mechanical elements of a home you are considering purchasing. That way you can be assured that you are buying a home in good condition. Shortly after the inspection is complete, the inspector provides a written report describing any major problems.

The Appraiser

When you apply for a mortgage loan to purchase your manufactured home, the lender hires an appraiser to estimate the value of the home you want to buy. The appraiser's job is to determine the fair market value of your home. You normally do not work directly with the appraiser during the mortgage loan process, although you will pay for the appraiser's services at the time you apply for the mortgage loan. Mortgage lenders use the appraisal to determine how much money they are willing to lend you. Although lenders do not always require appraisals for personal property loans, it is highly

recommended that you find an appraiser who is qualified to determine the fair market value of manufactured homes in your area and pay for your own appraisal to accurately measure the value of a home before you agree to a purchase price.

Escrow and Title Officers

If you plan on obtaining real estate financing for your manufactured home and/or land, your lender normally arranges for the services of escrow and title officers. The escrow officer is an independent professional who manages all of the things that need to happen between the date the purchase contract is signed and the date the closing takes place, or escrow period, to make sure that your sale closes on time and that both you and the seller meet all of the terms of the contract. The escrow officer keeps the original purchase contract and other documents, holds earnest money, and makes sure that all the people involved in the sale are doing their jobs. The escrow officer is paid a fee at closing which is usually split between the buyer and the seller. Depending on the state you live in, the job of an escrow officer may be done by an escrow company, an attorney, a title insurance company, or even a real estate agent.

The title officer, or an attorney in some states, will research the chain of ownership and give you a history of who owned the property so that you can be sure that the person selling you the home really has the right to sell it. The title officer researches the public records and issues you a title report, or abstract, that shows the ownership and other important information about the property, including loans for which the home is promised as security, the amount and payment history of property taxes, and any deed or zoning restrictions that limit the way the property can be used. The title officer also sells insurance through a title insurance company to guarantee that the title report is accurate. All mortgage lenders require that the buyer pay for a lender's policy of title insurance that protects the lender if there is an error in the title report. It is wise to purchase an owner's title policy to protect yourself, too.

The Surveyor

If you are buying land, your lender may need to arrange for the services of a surveyor. A surveyor is a licensed professional who checks the measurements of a home and the land around it. Every property has a legal description that defines the property lines. In newer subdivisions, the property lines are easy to find because the lots are very regular and are clearly marked on plat maps. However, when you are buying property in rural areas, property lines are more confusing. It may take a professional to find them. You usually pay for the cost of the survey.

The Insurance Agent

When you buy any home, you want to have insurance that protects you from accidental losses from fire, theft, wind and liability. Your lender will require that you buy homeowners insurance coverage in the amount of the loan. In general, homeowners insurance offers property and liability protection, but there are different types of homeowners insurance offered for different types of homes and other special situations. In addition to homeowners insurance, there are many neighborhoods where special hazard

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insurance is required by your lender, such as flood insurance when you buy a home or land in a designated flood plain.

HUD and State Regulators

Under federal law, HUD is responsible for oversight of the Federal Manufactured Housing Program. Thirty-eight states have a State Administrative Agency (SAA) that administers the HUD program in that state. The SAA may conduct on-site inspections of home installation and can assist you in resolving problems with manufacturers or retailers. If you live in a state that does not have an SAA (Alaska, Connecticut, Delaware, Hawaii, Kansas, Massachusetts, Montana, New Hampshire, Ohio, Oklahoma, Vermont, Washington, DC, or Wyoming), or cannot get a resolution through your SAA, you may contact HUD directly. For a list of SAAs and HUD's contact information, see the next page.

The Housing Counselor

As with site-built homes, there are so many different professionals that you will be hiring and working with throughout the manufactured home purchase process that you will probably want someone to be there for you to provide you with impartial advice. That person should be a housing counselor. A housing counselor is a trained professional who works for a nonprofit organization like a NeighborWorks® organization, community development corporation, credit counseling service or a housing agency. The counselor may provide homebuyer-education classes, one-on-one counseling sessions, or both. Because the counselor works for a nonprofit organization and has no financial incentive to gain from your buying a home, you can expect objective information and unbiased recommendations. Your housing counselor can help you learn more about the steps needed to buy a manufactured home in your area.

LIST OF STATE ADMINISTRATIVE AGENCIES

Alabama

Alabama Manufactured Housing Commission
350 Decatur Street
Montgomery, AL 36104-4306
Phone: (334) 242-4036 x22 or x25
Fax: (334) 240-3178

Arizona

Arizona Department of Building & Fire Safety
Office of Manufactured Housing
110 West Washington, Suite #100
Phoenix, AZ 85007
Phone: (602) 364-1028
Fax: (602) 364-1052

Arkansas

Arkansas Manufactured Home Commission
523 South Louisiana Street, Suite 500
Lafayette Building, AR 72201-5705
Phone: (501) 324-9032
Fax: (501) 374-7874

California

Department of Housing and Community
Development
Manufactured Housing Section
P.O. Box 31
Sacramento, CA 95812-0031
Phone: (916) 445-3338
Fax: (916) 327-4712

Colorado

Housing Division, Department of Local Affairs
1313 Sherman Street, #518
Denver, CO 80203-2244
Phone: (303) 866-2033
Fax: (303) 886-4077

Florida

Bureau of Mobile Homes & RV
Division of Motor Vehicles
2900 Apalachee Parkway, Room A-129
Tallahassee, FL 32399-0640
Phone: (850) 488-8600
Fax: (850) 488-7053
Consumer Complaints: (813) 740-4298

Georgia

Manufactured Housing Division
State Fire Marshal's Office
#2 Martin Luther King Jr. Drive, #620 West
Tower
Atlanta, GA 30334
Phone: (404) 656-3687 or (404) 656-9498
Fax: (404) 657-6971

Idaho

Division of Building Safety — Building Bureau
1090 E. Watertower Street
Meridian, ID 83642
Phone: (208) 334-3896
Fax: (208) 855-9399

Illinois

Illinois Department of Public Health
Division of Environmental Health
General Engineering Section
525 West Jefferson Street
Springfield, IL 62761
Phone: (217) 782-5830
Fax: (217) 785-0253

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Indiana

Codes Enforcement Division
Office of the State Building Commissioner
302 Washington Street, Room W246
Indianapolis, IN 46204
Phone: (317) 232-1407
Fax: (317) 232-0146

Iowa

Manufactured Housing Coordinator
Iowa Fire Marshall Office
401 SW 7th Street, Suite N
Des Moines, IA 50309
Phone: (515) 281-5821
Fax: (515) 242-6299

Kentucky

Manufactured Housing Division
State Fire Marshal's Office
101 Sea Hero Road, Suite 100
Frankfort, KY 40601-4322
Phone: (502) 573-0365
Fax: (502) 573-1004

Louisiana

Manufactured Housing State Administrative
Agency
Louisiana Manufactured Housing Commission
P.O. Box 4249
Baton Rouge, LA 70821
Phone: (225) 342-5919
Fax: (225) 342-2999

Maine

Manufactured Housing Board
Office of Licensing and Registration
35 State House Station
Augusta, ME 04333-0035
Phone: (207) 624-8678
Fax: (207) 624-8637

Maryland

Dept. of Housing & Community Development
Maryland Code Administration
100 Community Place
Crownsville, MD 21032-2023
Phone: (410) 514-7220
Fax: (410) 987-8902

Michigan

Office of Local Government and Consumer
Services
6546 Mercantile Way
Lansing, MI 48909-8203
Phone: (517) 241-9347
Fax: (517) 241-6301

Minnesota

Minnesota Department of Administration
Building Codes & Standards Division
121 East 7th Place, Suite 408
St. Paul, MN 55101-2181
Phone: (651) 296-9927
Fax: (651) 297-1973

Mississippi

State Fire Marshal's Office
P.O. Box 79
Jackson, MS 39205-0079
Phone: (601) 359-1061
Fax: (601) 359-1076

Missouri

Manufactured Housing Department
200 Madison Street, Suite 500
P.O. Box 360
Jefferson City, MO 65102
Phone: (573) 751-7119 or (800) 819-3180
Fax: (573) 522-2509

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Nebraska

Housing & Recreational Vehicle Department
Nebraska Public Service Commission
300 The Atrium
1200 "N" Street
P.O. Box 94927
Lincoln, NE 68509-4927
Phone: (402) 471-0518
Fax: (402) 471-7709

Nevada

Department of Business & Industry
Manufactured Housing Division
2501 E. Sahara Avenue, Suite 204
Las Vegas, NV 89104-4137
Phone: (702) 486-4135
Fax: (702) 486-4309

New Jersey

New Jersey Division of Codes and Standards
Dept. of Community Affairs
P.O. Box 816
101 S. Broad Street
Trenton, NJ 08625-0816
Phone: (609) 984-7974
Fax: (609) 984-7952

New Mexico

Manufactured Housing Division
Regulation & Licensing Department
725 St. Michael's Drive
Santa Fe, NM 87504-7605
Phone: (505) 827-7070
Fax: (505) 827-7074

New York

Division of Code Enforcement and
Administration
Department of State
1530 Jefferson Road
Rochester, NY 14623
Phone: (585) 427-9231
Fax: (585) 424-3658

North Carolina

Manufactured Building Division
Office of State Fire Marshal
P.O. Box 26387
Raleigh, NC 27611
Phone: (919) 661-5880
Fax: (919) 662-4414
Designee: David Goins, Administrator
Phone: (252) 753-3260

North Dakota

North Dakota Department of Commerce
Division of Community Services
P.O. Box 2057
Bismarck, ND 58502
Phone: (701) 328-5300
Fax: (701) 328-5320

Oregon

Department of Consumer & Business Services
Building Codes Division
P.O. Box 14470
1535 Edgewater Drive, NW
Salem, OR 97309-0404
Phone: (503) 378-4150
Fax: (503) 378-2322

Pennsylvania

Division Chief, Manufactured Housing
Office of Community Development
Center for Community Development
4th Floor, Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Phone: (717) 720-7413
Fax: (717) 783-4663

Rhode Island

State Building Commissioner
State Building Code Commission
One Capitol Hill
Providence, RI 02908-5859
Phone: (401) 222-3032
Fax: (401) 222-2599

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South Carolina

Dept. of Labor, Licensing & Regulation
Real Estate & Building Code Professions
P.O. Box 11329
Columbia, SC 29211-1329
Phone: (803) 896-4682 or (803) 896-4688
Fax: (803) 896-4814

South Dakota

Office of State Fire Marshal
118 West Capitol Avenue
Pierre, SD 57501-5070
Phone: (605) 773-3562
Fax: (605) 773-6631

Tennessee

Department of Commerce & Insurance
Division of Fire Protection
Davy Crockett Tower, Third Floor
500 James Robertson Parkway
Nashville, TN 37243-1162
Phone: (615) 741-7190
Fax: (615) 253-3267

Texas

Manufactured Housing
Dept. of Housing & Community Affairs
P.O. Box 12489
Austin, TX 78711-2489
Phone: (512) 475-2884 or (800) 500-7074
Fax: (512) 475-4250

Utah

Construction Trades Bureau
Div. of Occupational & Professional Licensing
Department of Commerce
P.O. Box 146741
160 E. 300 South
Salt Lake City, UT 84111-6741
Phone: (801) 530-6720
Fax: (801) 530-6511

Virginia

State Building Code Administration Office
Dept. of Housing & Community Development
Jackson Center, 501 N. Second Street
Richmond, VA 23219-1321
Phone: (804) 371-7160
Fax: (804) 371-7092

Washington

Office of Manufactured Housing
Washington State Office of Community
Development
906 Columbia St. SW
Olympia, WA 98504-8350
Phone: (360) 725-2960 or (800) 964-0852
Fax: (360) 586-5880

West Virginia

Manufactured Housing
West Virginia Division of Labor
State Capitol Complex
Building 6, Room B-749
Capitol Complex
Charleston, WV 25305
Phone: (304) 558-7890
Fax: (304) 558-2447

Wisconsin

Manufactured Homes, Safety & Building
Division
Department of Commerce
P.O. Box 217
Platteville, WI 53518
Phone: (608) 576-6224
Fax: (608) 267-9723

If your state does not have a State Administrative Agency, or if you cannot get a resolution through these contacts, you may contact:

Office of Manufactured Housing Programs
Office of Regulatory Affairs and Manufactured Housing
HUD
451 Seventh Street, SW, Room 9164
Washington, DC 20410-8000
Phone: (202) 708-6423 or (800) 927-2891
Fax: (202) 708-4213
E-mail: mhs@hud.gov
www.hud.gov/offices/hsg/sfh/mhs/mhssaa.cfm