

SECTION 16: UNDERSTANDING WHERE TO GET HELP

As discussed throughout this manual, buying a manufactured home is a major purchase with many options. It is essential for you to make the best choices about your options based on your finances, values and goals. Being aware of what you need to do and should expect from others will help you successfully navigate the manufactured home purchase process and make the right decisions for you. And, knowing what to do if you experience problems along the way can help you avoid any long-lasting impacts. This section helps you understand your rights and responsibilities and where to get help when you need it.

Consumer Rights and Responsibilities

Throughout the entire manufactured home buying process, and beyond — when you are finally a homeowner — you have certain rights and responsibilities that can make your purchase go more smoothly.

Consumer Responsibilities

First of all, you must consider your responsibilities before and after you buy a manufactured home.

- *Be informed.* Before you make any major purchase, it is vital to find out more about the product you are interested in buying. Buying a home requires a lot of time, effort and money. But the more you know about buying a manufactured home, the easier it will be to become an owner. Attending workshops, conducting research and consulting trusted advisors will help you learn about the purchase process and make informed decisions.
- *Shop around for everything.* For big purchases, it is always wise to get at least three prices. That way you can make the best choice about the product or service and the total amount it will cost you. When you buy a manufactured home, you not only need to consider the home itself but also site placement, insurance, financing and warranties. By shopping around for all of these items, you can reduce your overall costs. Follow the same rule of interviewing at least three professionals when choosing members for your manufactured home purchasing team.
- *Perform inspections before you complete the purchase.* Inspecting your manufactured home before you close on it is essential. Careful and professional inspections can save you time and money and give you peace of mind. Depending on the type of home you are buying, the inspections needed may vary in terms of what type they are, who performs them, and when they occur.
- *Understand all of the details about your purchase and financing transactions.* The professionals you work with should be able to explain all of the terms and costs associated with these transactions. You must carefully read every purchase or loan document you receive and not sign any contract

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until you understand all of the details included. If you do not understand something, consult a trusted advisor. **Ask questions, ask for help and be sure to understand all details.**

- *Save for maintenance and repairs.* Proper maintenance will avoid costly repairs and increase your home's longevity and resale value, and you need to plan for the routine costs of preventive maintenance and minor repairs (for items not covered by a warranty). Set aside enough money on a monthly basis so that you can pay for maintenance and repair expenses as needed.
- *Get to know your home.* You will get an owner's manual — read and save it. For detailed information about your home's serial number, date of manufacture, and manufacturer, find the HUD data plate. In most cases, the data plate is located in a closet or cabinet in the kitchen, utility area or bedroom.
- *Pay your bills on time,* especially your loan payment for your home. Failure to make payments on your home loan can result in the lender taking your home. If you experience financial problems, get help as soon as possible.

Consumer Rights

In addition to your responsibilities are your rights in buying and owning a manufactured home.

- *Fair treatment.* As a consumer, you have certain rights that are protected by law, which are described below. For example, these laws protect you from discrimination by companies that provide credit or housing opportunities.
- *Credit disclosures.* All lenders must provide you with details about financing costs before you sign a credit agreement.
- *Home warranties.* Almost every new manufactured home comes with a manufacturer's warranty of some kind. In addition to the manufacturer's warranty, you may receive warranties from the retailer, transporter, installer, and appliance manufacturers. Federal law requires retailers to show you the warranty on any home *before* you make a purchase and to retain copies of warranties for any homes they sell.
- *Safety.* Federal and state regulations give special rights to manufactured home owners whose homes develop safety hazards. Keep careful records of your calls and letters reporting safety hazards. If the retailer or manufacturer does not respond right away, you may be entitled to hire someone on your own and be reimbursed.
- *Deposit refunds.* In many states, the deposit you provide to a retailer to place a hold on a manufactured home is fully refundable if you change your mind and have not signed a purchase agreement, or if you are denied credit after you have signed one.

Consumer Protection

There are three key federal consumer-protection laws of which you should be aware: the Equal Credit Opportunity Act, the Fair Housing Act and the Truth in Lending Act.

The *Equal Credit Opportunity Act* ensures that all consumers are given an equal chance to obtain credit. This law says that creditors cannot discriminate against you — that is, treat you differently — because of your sex, race, marital status, religion, national origin, age or receipt of public assistance. The law protects you when you deal with any creditor who regularly extends credit, including banks, small loan and finance companies, credit unions and mortgage companies. Anyone involved in granting credit, such as mortgage brokers who arrange financing, must follow this law. For more information, visit the Federal Trade Commission's Web site at www.ftc.gov.

The *Fair Housing Act* ensures that all consumers are given an equal opportunity to obtain housing. This law states that companies cannot discriminate against you because of your race or color, national origin, religion, sex, familial status (presence of children in the household) or disability. This law protects you when you do business with any company that sells or rents housing. For more information, visit HUD's Web site at www.hud.gov.

The *Truth-in-Lending Act* gives you the right to be given details, before you sign a contract or loan agreement, on exactly how much the credit is going to cost, what the payments will be and when they are due. This law requires specific disclosures for open-end (e.g., credit card) and closed-end (e.g., mortgage loan) transactions and covers any creditor who regularly extends credit that is subject to a finance charge and payable by a written agreement.

In addition to federal consumer protections, you may have state protections that are provided to purchasers of manufactured homes. For example, at least seven states (Arizona, Arkansas, California, Florida, Texas, Virginia and West Virginia) maintain programs called Manufactured Housing Recovery Funds. They pay for certain types of problems with manufactured home, including fraud or failure to honor warranties. Contact your SAA to find out if you have any additional rights when you are buying, installing or transporting your home. (See the listing of SAAs on page 21.)

Complaints

Despite your best intentions, something may go wrong when you buy or after you move into your manufactured home. If you have a problem, here are some suggestions for trying to resolve it.

- *Start with the company or individual responsible* for the problem. Try to resolve the situation with the company or individual directly. Keep a copy of all correspondence, and log phone calls, including the date, to whom you spoke, their job titles, and what they said. If this approach does not work, you may need to take additional actions as described below that require documentation.
- *Contact the agency responsible for licensing or overseeing* the company or individual. For example, HUD is designated as the government agency to oversee the federal manufactured housing

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program and has contracted with SAAs to administer the HUD program in many states. If you are having a problem with the manufacturer or retailer, your SAA may be able to assist you in resolving it. (See the listing of SAAs on page 21.)

- *File a complaint* with your local Better Business Bureau or a state or local consumer protection agency. These agencies may arrange for mediation. A state consumer protection agency, such as the office of your state attorney general, may even take legal action. For information, visit www.bbb.org (Better Business Bureau) and www.naag.org (National Association of Attorneys General).
- *Consider litigation your final option.* Legal action can be costly in terms of time and money. If you feel that legal action is necessary, contact your state bar association or a local legal services non-profit agency to see if you qualify for low-cost legal assistance before hiring a private attorney.