

State of North Carolina

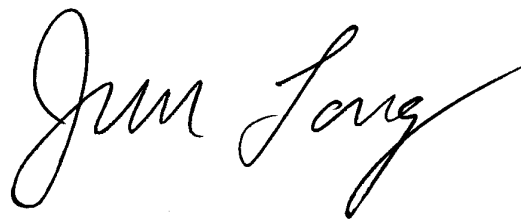
Regulations for

Manufactured Homes

2004 Edition

Effective March 1, 2004

This Standard for the Installation of Manufactured Homes is hereby adopted by the Commissioner of Insurance in accordance with the Act of the North Carolina General Assembly of 1969, Chapter 961.



Jim Long
Commissioner of Insurance



C. Patrick Walker, P.E.
Deputy Commissioner
Manufactured Building Division

1.3.4 Repairs & Alterations

The *State Plan* (see **Appendix M**) requires that repairs or alterations to manufactured homes be inspected by an independent third party inspection agency approved by HUD and that a certification be issued that repairs have been properly made. However, minor repairs and alterations that are performed on an individual owner's lot may be inspected and approved by local officials. Minor repairs and alterations that are inspected and approved by local officials shall comply with the applicable requirements of the *North Carolina Residential Code* (current edition). A certification shall be issued indicating that the repairs have been properly made. As an alternate to local inspection, such repairs and alterations may be certified by a North Carolina registered engineer or architect. The certification shall be in the form of a *sealed* document which states that the engineer, architect or his or her representative has personally inspected the home and confirmed that all repairs comply with applicable Sections of the *North Carolina Residential Code*, current edition. For specific procedures regarding the repair of damaged homes and homes sold for salvage, see **Appendix D**.

1.3.5 Appendices

Appendices specifically referenced in the text of this Code shall be considered incorporated by reference and enforceable.

APPENDIX D

REPAIR OF DAMAGED HOMES AND HOMES SOLD FOR SALVAGE

In the aftermath of Hurricane Floyd, the Manufactured Building Division, acting in its capacity as staff to the North Carolina Manufactured Housing Board and as the State Administrative Agency (SAA) for HUD, issued documentation intended to provide guidance to manufactured home consumers, manufacturers, dealers, contractors, and local inspectors regarding the procedures for the repair of homes damaged during the storm. This documentation was published in the form of frequently asked and anticipated questions from interested parties. This **Appendix** summarizes the information from this documentation, and is divided into **Sections D.1** and **D.2**, which will deal primarily with manufacturers and dealers (**D.1**) and consumers (**D.2**).

Although originally dealing with primarily flood damaged homes, the same principles will apply to homes damaged by fire, transportation, or other causes, as well as homes "sold for salvage". For the purposes of this Appendix, a home "sold for salvage" is one that has had the HUD label removed and is sold on an "as is" basis with full disclosure of its condition and lack of label to the consumer.

D.1 NEW/USED HOMES – LOCATED ON A DEALER'S LOT – NOT SOLD TO A CONSUMER

D1.1 NEW Homes Shall Be Brought Back Into Compliance Prior to Sale.

Damages **NEW** homes located on a dealer's lot that have not been sold are currently out of compliance with the Federal Standards (24 CFR Part 3280, *Manufactured Home Construction and Safety Standards*) because of substantial damage due to flooding, fire, transportation, etc. These units are prohibited from being sold/leased or being offered for sale/lease.

Each damaged unit shall be visually inspected to determine the potential non-compliance, and the home shall be repaired and brought back into compliance under the Federal Standards prior to sale.

The dealership shall fully coordinate its efforts with the manufacturer to assure that the homes are brought back into compliance with the Federal Standards, and that applicable warranties are not voided.

D1.2 Determination as to Whether the Home Can Be Repaired so as to Comply with the Federal Standards.

Because these homes have incurred substantial damage, the dealer must involve the manufacturer in evaluating each damaged unit to determine:

- (1) if the unit can be repaired,
- (2) what repair methods are to be used to bring the home back into compliance with the Federal Standards, and
- (3) who is authorized to make the repairs.

A qualified representative *from the manufacturer* shall determine by physical inspection if the unit can be repaired. This person must have *extensive knowledge* of all aspects of manufactured home construction.

Once the manufacturer has determined the extent of the damage, then the method of repair that will be used to bring the home back into compliance with the Federal Standards must be determined. These methods of repair shall be drawn up and *approved by the manufacturer's Design Approval Primary Inspection Agency (DAPIA)*.

If it is determined that a home is damaged *beyond repair*, then the manufacturer must *notify their Production Inspection Primary Inspection Agency (IPIA)*. The IPIA shall remove the HUD labels from the home and return them to HUD.

D1.3 Party Authorized to Make Repairs to the Manufactured Home.

The manufacturer is the only party who can determine the proper repair method for the defect.

The manufacturer is *solely* responsible for the scope of the repairs.

A dealer may make the repairs if, at the manufacturer's option, the manufacturer believes that the methods of correction are within the expertise and abilities of the dealer

D1.4 Where Repairs Can Be Made

The repairs can be made at the manufacturer's plant facility or any other place that the manufacturer finds to be acceptable.

D1.5 Responsibility for Inspection of Repairs

Since these homes have incurred substantial damage, the dealer/manufacturer must *request verification from the manufacturer's IPIA*. *The manufacturer's in-plant inspection agency (IPIA) is responsible* for verifying that the repairs have been properly made using the manufacturer's approved repair methods and for certifying that the unit has been brought back into compliance with the Federal Standards.

D1.6 Removal of HUD Labels from Homes which Cannot Be Repaired

In some cases the manufacturer may determine that the home cannot be repaired, and will be subsequently demolished. For all homes which cannot be brought back into compliance with the Federal Standards, *it is the responsibility of the manufacturer's IPIA* to remove the HUD labels from the homes and return them to HUD.

D1.7 Responsibility for Damaged Homes Sold to Consumers but Not Yet Delivered

The dealer and the manufacturer are responsible for damaged homes sold but not yet delivered using the same procedures as indicated in **Sections D1.1 through D1.5** for homes that have not been sold.

Under the Federal Regulations (§ **3282.252**) the dealer and manufacturer are responsible for all these damaged homes *"until the completion of the entire sales transaction."*

The Federal Regulations (§ **3282.252(b)**) state that *"A sales transaction with a purchaser is considered complete when all the goods and services that the dealer agreed to provide at the time of the contract was entered into have been provided."*

The following is an example of HUD's interpretation of this section:

A dealer has included skirting in his contract with the consumer. The home has been delivered to the site, set-up, and the consumer has moved in but the skirting was not installed before the storm struck. Under the Federal Regulations the sales transaction in question has not been completed because the skirting has not been installed and therefore the dealer is responsible for the storm damage as if the unit was still on his lot.

The repair guidelines for this home would be the same as indicated above for homes that have not been sold.

D1.8 Repair of USED Homes on Dealer's Lot that have Not Been Sold

Manufactured homes are constructed to meet the requirements of *Part 3280, Manufactured Home Construction and Safety Standards*. Repairs to a **USED** manufactured home which utilize **materials and construction methods which are equal to or better than those used when the home was originally constructed** shall be accepted.

As an alternate, the damaged home may be "sold for salvage". A home that is "sold for salvage" is one that has had the *HUD*

label removed and is sold on an “as is” basis with full disclosure of its condition and lack of label to the consumer. HUD labels for such homes shall be removed by the dealer and sent to the NC Department of Insurance, Manufactured Building Division.

D1.9 Trade In of a Damaged Home

A consumer may wish to trade in a damaged manufactured home. The home may be taken by a dealer on trade, repaired, and then resold subject to the following:

Manufactured homes are constructed to meet the requirements of *Part 3280, Manufactured Home Construction and Safety Standards*. We will accept repairs to a **USED** manufactured home which utilize **materials and construction methods which are equal to or better than those used when the home was originally constructed**.

D1.10 Information and Records Required for each Damaged

The NC Department of Insurance, Manufactured Building Division requires the following on **NEW homes**: (*Submittal of this information in a Microsoft Excel, Access or Word document is preferable if these are available*)

From Dealers the following is required:

1. A comprehensive list of all damaged homes by manufacturer and serial number
2. Detailed description of damage of each home indicating:
 - a. Type of damage: wind, flooding, fire, transportation, etc.
 - b. Location of damage area: **F**ront, **B**ack, **F**loor, **E**xterior Walls, **I**nterior Walls, **C**eiling, **R**oof (use letter codes)
 - c. Corrective Action
 - d. Expected time frame for repairs
 - e. Notification of repair dates prior to reconstruction.

From the Manufacturers the following is required:

1. Detailed inspection report indicating which affected homes will be repaired and which homes will be destroyed.
2. DAPIA approved methods of repair for all affected areas.
3. Notification that Manufacturer’s repair personnel will be making repairs or notification of manufacturer’s approved dealers who will be making the repairs.
4. Proposed schedule of repairs
5. Notification that the manufacturer’s IPIA will be performing on-site inspections of repairs for each affected home.

D1.10 (cont’d.)

From the IPIA a full report is required indicating the following:

1. Name of IPIA
2. Name of IPIA inspector
3. Schedule indicating Date and time of inspection(s)
4. Name and Location of Dealer’s Lot
5. Name of Manufacturer of unit to be repaired
6. Serial number of unit to be repaired.
7. Nature of nonconformance in detail for each unit
8. Corrective Action in Detail
9. Final Inspection Date
10. Final Recertification Date
11. List of HUD labels removed from destroyed homes

D.2 DAMAGED HOMES OWNED BY CONSUMER -- LOCATED ON CONSUMER’S LOT

D.2.1 Repair of Damaged or Sold for Salvage Homes Located on Consumer’s Lot

The consumer’s decision as to whether to have repairs made will depend on many factors such as the extent of the damage and the cost of getting the home repaired and inspected.

The *State of North Carolina Regulations for Manufactured Homes (Section 1.3.4)* requires that all repairs made to manufactured homes be inspected by either an independent third party inspection agency approved by HUD, an NC Professional Engineer, an NC registered Architect, or by your local building inspector.

When the repairs have been completed, an inspection certification must be submitted to the local jurisdiction (unless they performed the inspections) indicating that the repairs have been properly made before a Certificate of Occupancy can be issued.

D2.2 Determination of Whether Home Can Be Repaired

It is recommended that the local building official be contacted first. The local official can quickly determine if the home is safe to enter. If unsafe, the inspector will have power disconnected from the home and will notify the consumer of specific safety concerns.

The local inspector will also be able to provide information as to whether the local department is willing to take responsibility for inspecting any repairs that are made to the home.

Manufactured homes are built under a Federal inspection program which is not under the jurisdiction of local inspectors. Because of this, the local inspector may decide that it will be necessary to contract with either a third party inspection agency approved by HUD, an NC Professional Engineer, or an NC registered Architect for getting the repairs to the home inspected. When the repairs are complete, an inspection certification must be submitted by the third party agency, engineer, or architect to the local jurisdiction indicating that the repairs have been properly made before a Certificate of Occupancy can be issued.

D2.3 Building Code and Construction Standard to which Repairs Must Comply

Manufactured homes are constructed to meet the requirements of *Part 3280, Manufactured Home Construction and Safety Standards*. This Federal Standard is not readily available to local jurisdictions in North Carolina. Most local engineers, architects and inspectors in North Carolina have little if any experience working with this Federal Standard. **Section 1.3.4** of the *State of North Carolina Regulations for Manufactured Homes* allows repairs to be made in accordance with the North Carolina Residential Code. It is recognized that it would be impractical in many cases to repair a significantly damaged manufactured home to meet the requirements of the North Carolina Residential Code. For this reason, repairs to a **USED** manufactured home which utilize **materials and construction methods which are equal to or better than those used** when the home was originally constructed shall be accepted.

D2.4 Where Repairs Can Be Made

Repairs may be made at any location found to be suitable to the individual or agency that is going to conduct the inspection of the repairs.

D2.5 Purchase of a Damaged NEW Home from a Dealer

A consumer may purchase a damaged NEW home from a dealer. However, the dealer must bring the home back into compliance with *Part 3280, Manufactured Home Construction and Standards* **before it can be sold**, in accordance with the provisions of **Section D.1** above.

D2.6 Inspection of Repairs by Other Than Local Jurisdiction

In some cases, the local jurisdiction may decide not to inspect the repairs to a home, and will instruct the consumer to contract with a third party inspection agency, an NC Professional Engineer, or an NC registered architect to conduct the inspections. Information regarding these alternate means of inspection is as follows:

D2.6 (cont'd.)

A list of approved third party inspection agencies can be obtained from Housing and Building Technology (HBT) at 703-437-0100 or from the Manufactured Building Division of the NC Department of Insurance at 919-661-5880. North Carolina professional engineers in a particular area may be located by contacting the NC Board of Examiners for Engineers and Surveyors (919-841-4000), or the NC Board of Architecture (919-733-9544). A list of engineers and architects may also be found in the yellow pages of local phone directories.

D2.7 Items to Consider in Inspecting Damaged Homes

The following list was prepared specifically for flood damaged homes, but should provide useful guidelines for assessing significant damage from any cause. It is highly recommended that someone *with extensive knowledge of manufactured home construction and set-up requirements* be used to inspect the extent of damage. At a very minimum the following is recommended:

General:

Wear protective clothing.

Electrical:

Make sure electrical service is disconnected if the flood water marks are above electrical devices, services, etc.

Building:

Locate water marks on the home to make an initial determination of the extent of damage.

Look for the following:

- Major structural problems
- Undercut footings
- Leaning, fallen or missing pier supports
- Broken, undercut, loose or missing ground anchors
- Broken, loose or missing anchor straps
- Home moved off foundation
- Home twisted or racked
- Buckled floor/roof/wall sheathing
- Check for damaged finishes
- Ceiling/floor/wall covering
- Roofing/siding have some damaged finishes removed.
- Check for wet ductwork, insulation, wiring/electrical devices

D2.8 Safety of Electrical Systems in Flood Damaged Homes

Some homes are subject to significant depths of water within the home during floods. The question as to whether the electrical system will be safe after drying out is important. With regard to this question, the following is recommended:

Guidelines for Handling Water Damaged Electrical Equipment

A publication that provides guidelines on how to handle electrical equipment that has been exposed to flooding is available from the National Electrical Manufacturers Association (NEMA). This publication may be found at:

<http://www.nema.org/engineering/papers/waterdam.html>

Due to the highly polluted nature of the recent floodwaters, extra care should be used in determining if re-energizing the electrical system is safe. Some things to consider are:

NM Cables - When Type NM cable has been submerged in water, especially if the ends of the cable have been submerged, it should be replaced.

Wiring Devices - Sediments and contaminants contained in floodwaters are difficult to remove from the internal parts even if washed with clean water or solution and dried. Such submerged devices should be replaced.

Circuit Breakers and Panelboards - It may be possible to recondition some of this type of equipment when done by trained personnel in consultation with the manufacturer. This equipment should not be energized until it has been reconditioned or replaced