

North Carolina

MANUFACTURED AND MODULAR HOUSING NEWS

The official magazine of the NCMHA

VOL. 35 NO. 1



2014/2015 Board Members Elected

NCMHA & NCIRG Host Lenders Forum

2014 NCMHA Annual Meeting Photos

Important Tax Law Changes

The North Carolina Manufactured and Modular Housing News is published as a benefit of membership in NCMHA, 4911 Departure Drive, Raleigh, NC 27616

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For more information on the chapter in your area please contact the Association office at 919.872.2740.

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It's hard to believe that as this summer winds down, we, as an association start our new fiscal year with a new Board of Directors and Executive Committee. I want to begin by thanking you for electing me to serve as your president. It is an honor and privilege to be elected as president of the trade organization that advocates for my profession, business, customers and family. I am very excited about this upcoming year! I will be working alongside a great group of dedicated members and staff dealing with issues that are important to all of us in this association.



Miller

With that said, we have a lot of work ahead of us! Our industry still has many challenges and hurdles to overcome. Many of the challenges like; regulatory burdens, financial resources for consumers, and industry perceptions, are not new and are battles that we continue to fight. I am sure over the next year we will have additional issues to overcome. That's why we need you now more than ever!

As we face these challenges, I'm asking everyone to give of your time to our industry. Time spent helping our industry's causes is the equivalent of investing in your own business. You should be receiving a committee sign-up sheet in the mail. We already have commitments from many of you to serve on one or more of the committees. I want to encourage the rest of the membership to get involved. It takes all of us to make a successful association and the hard work and dedication of our members over the years has made us what we are today—one of the most respected state associations in the industry. All it takes to get involved is a call to the state office.

The more our members participate at the state and local level, the healthier our industry will be. Our efforts can build this industry and make it strong again, but it will require commitment and participation.

I hope I can count on all of the members of this association to join me in all of our endeavors this year. Our industry can do a lot for the people of North Carolina, but we need to be given the chance to prove it. No one will just give us this chance; we will have to create our own opportunities. We can't create opportunities without the help of our members.

As I said earlier, I think this year will be full of exciting challenges and opportunities. With your help, it will be a year of building and growth. Please, commit to your industry and the association. I promise you that together we can make our industry even stronger and more effective.

Welcome New NCMHA Members

BURCHWOOD HOME SALES
Burlington, NC

**CUSTOM BUILT HOMES OF
THE CAROLINAS**
Hampstead, NC

FNC, LLC
Fayetteville, NC

GOOSE CREEK RESORT SALES
Newport, NC

KENDALL ASSET PARTNERS, LLC
Cary, NC

MOBILEVILLE USA, INC.
Rocky Mount, NC

**MOCKSVILLE MOBILE HOME
INVESTMENTS, INC.**
Mocksville, NC

NATIONWIDE HOMES
Whitsett, NC

**PARK LANE FINANCE
SOLUTIONS, LLC**
Charlottesville, VA

SCENIC RESORT SALES
Asheville, NC

**SMC HOME FINANCE
CONSTRUCTION/SET-UP LENDING**
Kinston, NC

SUBSURFACE SPECIALISTS
Cary, NC

THE HOME CENTER II
Summerfield, NC

**WOODLAND ESTATES MOBILE
HOME PARK, LLC**
Hickory, NC

Members Gather for Socializing, Networking and Business at the 2014 NCMHA Annual Meeting



Grandover Resort & Conference Center Greensboro, NC

NCMHA's 2014 Annual Meeting kicked off Wednesday morning June 4th at the Grandover Resort and Conference Center with the annual MaHPAC Golf Tournament. Golf was followed that evening with a heavy hors d'oeuvres Welcome Reception where members socialized and networked while enjoying lots of great food.

NEW BOARD ELECTED

The Business Meeting Thursday, June 5th began with members electing NCMHA's 2014/2015 Executive Committee and Board of Directors. Keith Miller, Future Homes was elected to serve as President; Paige Janey, Clayton Homes as First Vice President; Tonnie Prevatte, Prevatte's Home Sales Inc. as Second Vice President;



Cliff DeSpain passes the gavel to Keith Miller, NCMHA's 2014/2015 President

Bill McLucas, R-Anell Housing Group, LLC as Treasurer, Mike Smith, Clayton Homes as Secretary; and Immediate Past President Cliff DeSpain, Batchelor Supply, Inc. will continue to serve on the Executive Committee. Retailer Representative Kent Suits, Service Supplier Representative Mark Tabert and Community Developer Representative Luke Foster were elected for a second term on the Board. Two new members were elected to this year's Board to fill seats vacated by members who completed a second term Dascheil Propes, Johnson & Johnson, Inc. as Insurance Representative and Billy Owens, Cavalier Homes, Inc. as Manufacturer Representative.

AWARDS

The Election of the new Board was followed by NCMHA recognizing outstanding members with a variety of annual awards.

Durwood Batchelor was honored with the prestigious LaVasque Award, the highest honor bestowed upon a member of NCMHA (see page 14). North Carolina State Representative Julia C. Howard was presented with the Steve Zamiara Excellence in Government Award (see page 14). Tonnie Prevatte was named Rollan Jones Member of the Year for demonstrating outstanding service to NCMHA and the industry during the past year. For demonstrating a commitment to professionalism and educating consumers and elected officials about

continued on page 12

NCMHA Executive Committee

President

Keith Miller, Future Homes

1st Vice President

Paige Janey, Clayton Homes

2nd Vice President

Tonnie Prevatte, Prevatte's Home Sales Inc.

Treasurer

Bill McLucas, R-Anell Housing Group, LLC

Secretary

Mike Smith, Clayton Homes

Immediate Past President

Cliff DeSpain, Batchelor Supply, Inc.

NCMHA Board of Directors:

Retail Representatives:

Kent Suits, Suits Homes, Inc.

Tom Vail, Castle Manufactured Homes, Inc.

Finance & Insurance Representatives:

John Bowers, South State Bank

Dascheil Propes, Johnson & Johnson, Inc.

Community Developer Representatives:

Luke Foster, Manufactured Housing

Enterprises, Inc.

Tim Masters, Sunny Side, LLC

Manufacturer Representatives:

Steve Collins, Fleetwood Homes

Jeff Mooring, Atlantic Homes dba Carolina Building Solutions

Billy Owens, Cavalier Homes, Inc.

Service/Supplier Representatives:

Cindy Barringer, Patrick Industries, Inc.

Mark Tabert, Duke Energy Progress



Tonnie Prevatte accepts the NCMHA Rollan Jones Member of the Year Award

2014 North Carolina Legislative Session Update

What has been deemed “the session that would never end” finally ended on August 20th when the NC General Assembly passed its final bill for the year, the adjournment resolution. The good news for NCMHA members is that we were able to get a much needed change to the sales tax rate and some other important provisions passed before they adjourned for the year. Here are a few highlights:

SB 744 -2014 Appropriations Act-

This bill also known as the budget bill, contained a provision that changes the sales tax rate for manufactured and modular homes. Effective September 1, 2014, for sales on or after that date, N.C. Gen. Stat. § 105-164.13(64) exempts fifty percent (50%) of the sales price of a manufactured home or modular home sold at retail, including all accessories attached when delivered to the purchaser. Effective January 1, 2014, Session Law 2013-316 amended N.C. Gen. Stat. §§ 105-164.4(a)(1a) & 105-164.4(a)(8) to provide the general 4.75% State rate of sales and use tax applies to the sales price of each manufactured home or modular home sold at retail, including all accessories attached to the manufactured or modular home when it is delivered to the purchaser. N.C. Gen. Stat. § 105-467(a) continues to provide that the sale of a manufactured home or modular home is not subject to local and transit sales and use taxes. *Update: The Governor signed the bill into law on August 7, 2014.*

HB 625- Zoning/Temporary Health

Care Structures- This bill would exempt “temporary health care structures” from cities and counties zoning authority, when those structures are within an area zoned for single-family residential. A temporary health care structure is meant to allow an elderly or impaired person to live on the same property as the individual who is his or her caregiver. It would allow a consumer, by right, to place these homes without having to go through a re-zoning process. Several manufacturer and retail members sell these homes and asked NCMHA to get this bill introduced. *Update: The Governor signed the bill into law on August 5, 2014 and published a press release about the bill on the front page of his web-page.*

HB 769- Zoning/Limit Manufactured Home Restrictions-

This bill would prohibit counties from restricting the placement of manufactured homes in their zoning districts. It would allow the placement of manufactured homes in any area within the county that is zoned single-family residential use.

Update: The bill passed the House 110-7 with broad bi-partisan support. It unanimously passed the Senate Local Government Committee and was sent to the Senate Commerce Committee for consideration. In an effort to try and wrap up the session, the Senate leadership stopped all committees from meeting and therefore our bill was never calendared for consideration in the Senate Commerce Committee. This will be one of our big legislative issues for next year. continued on page 15

General Contractor's Seminars

The Professional Development Committee has coordinated with Contractor's Seminars to offer a one day General Contractor's Course to the membership. A member can attend any of Contractor's Seminars regularly scheduled course for a discounted membership price. For more information, contact Bobbi Peterman at 919.872.2740.

September 4, 2014

Doubletree Hotel
Durham, NC

September 5, 2014

Hampton Inn
 Mooresville, NC

October 7, 2014

Doubletree Biltmore
Asheville, NC

October 9, 2014

Doubletree Hotel
Durham, NC

November 6, 2014

Doubletree Hotel
Durham, NC

November 7, 2014

Hampton Inn
 Mooresville, NC

December 4, 2014

Doubletree Biltmore
Asheville, NC

December 6, 2014

Doubletree Hotel
Durham, NC

Note: All dates on calendar are tentative.

NCMHA & NCIRG Host Lenders Forum in Raleigh

The NCMHA and North Carolina Independent Retailers Group (NCIRG) jointly hosted a free Lenders Forum for NCMHA members on April 17th at the North Raleigh Hilton. Members from across the state attended to hear about “The Nuts & Bolts of the Dodd-Frank Act” presented by Dick Ernst, President, Financial Marketing Associates, Inc., a consulting firm specializing in factory built housing finance, (both chattel and mortgage) and regulatory matters for the industry. After the presentation there was a question and answer session and then attendees enjoyed a little networking and socializing during the buffet lunch. Immediately following the lunch, break out groups were formed and each group attended presentations by 21st Mortgage Corporation, First Federal, Cascade Financial Services, Triad Financial Services, Inc., CU Factory Built Lending and U.S. Bank Manufactured Housing Finance to get further educated on the lending process from application to closing and learn about the current lending programs offered by each of the lenders.



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The Importance of Keeping Accurate Records for Escrow Accounts

One of the regulations that NCDOI's Manufactured Housing Division must enforce under the North Carolina General Statutes are those laws pertaining to escrow accounts. According to NCGS §§ 143-143.50 through 143-143.54 all licensed dealers of manufactured homes must account for all monies collected from a buyer by maintaining an escrow account for such funds. The dealer must provide the Manufactured Housing Board with the name and number of the account and the name and location of the bank holding the



Goodwin

account. All buyer funds must be deposited in the escrow or trust account no later than the close of the third banking business day after receipt of the buyer's funds. The dealer must also provide buyers with a receipt for all buyer deposits noting the amount, date of the buyer's deposit and the name and address of the bank where the buyer's funds are deposited.

In many cases where we have audited a certain dealership we have found the record were either not available at the dealership location or they were not complete. We consider this to be a serious lack of accountability for funds entrusted to the dealer on behalf of a consumer. The statutes dictate the minimum requirements for dealer records regarding escrow or trust accounts at banks. Listed below are those requirements. Bear in mind that these records are subject to audit for cause in a particular case, or for random

audit at the discretion of the Board, the Commissioner of Insurance or the Attorney General, and the dealer shall provide written authorization to the bank that holds the escrow or trust account to release information relative to the account to the afore mentioned authorized parties (NCGS §143-143.54).

The records required for escrow or trust accounts maintained at a bank shall consist of the following and be maintained for a period of five years from the date of purchase:

1. All bank receipts or deposit slips listing the source and date of receipt of all funds deposited in the account and the name of the buyer to whom the funds belong.
2. All cancelled checks or other instruments drawn on the account, or printed digital images thereof furnished by the bank, showing the amount, date, and the recipient of the disbursement.
3. All instructions or authorizations to transfer, disburse, or withdraw funds from the escrow or trust account.
4. All bank statements and other documents received from the bank with respect to the escrow or trust account, including notices of return or dishonor of any instrument drawn on the account against insufficient funds.
5. A ledger containing a record of receipts and disbursements for each buyer from whom and for whom funds are received and showing the current balance of funds held in the escrow or trust account for each buyer.

These statutes are for the protection of the consumer and should be taken seriously by all parties involved. When NCDOI personnel arrives to audit your dealership location, we ask that you cooperate to the fullest extent possible, so that we can have a clear, speedy and accurate audit of your escrow accounts. Remember using buyer's funds not authorized by NCGS § 143-143.51 (a) or failing to place deposits in the dealer's escrow account as prescribed in the statutes can result in the Board imposing a fine on the dealer or order restitution to the buyer in the amount up to the amount that the dealer misappropriated or failed to place in the account.

Let's keep the reputation of the manufactured home industry in North Carolina one that we can all be proud of and protect your customers from the loss of their hard-earned and in some cases life savings.

Important Role Of Manufactured Housing Recognized In Senate Housing Finance Reform Plan

Washington, DC - The Manufactured Housing Institute (MHI) thanks U.S. Senate Banking, Housing, and Urban Affairs Committee Chairman Tim Johnson (D-SD) and Ranking Member Mike Crapo (R-ID) for recognizing the critically important role manufactured housing plays in serving the nation's housing needs in their recently released Housing Finance Reform and Taxpayer Protection Act of 2014. The proposed legislation includes key provisions that would provide manufactured home loans secured by personal property with access to a newly envisioned secondary market.

"Gaining access to the secondary market for our home loans has long been a top priority for MHI and the manufactured housing market, and we are grateful the Senate has taken action to level the playing field for the manufactured housing industry and our homeowners," said Nathan Smith, MHI Chairman and Partner at SSK Communities. "This bill is a step in the right direction for our industry and manufactured homeowners across the country, and we will continue to advocate for and work with Congress to pass into law a housing finance bill that recognizes the critical economic role of manufactured housing."

Historically, manufactured housing has accounted for less than one percent of Fannie Mae and Freddie Mac secondary market activity, which effectively makes manufactured housing less accessible to those that can most benefit from its affordability - low- and moderate-income families. The newly proposed legislation calls for Fannie Mae and Freddie Mac to be

replaced with a new Federal Mortgage Insurance Company (FMIC) and stipulates that personal property loans would be able to fully participate in FMIC's securitization platform at the same level as real estate-secured loans. Further, the bill deems loans eligible for securitization to include "loans secured by manufactured homes," as well as "residential real estate loans." The legislation adopts a broad definition of residential real estate loans that would include a "personal property loan secured solely by the dwelling itself" and "hybrid land-home loans for a manufactured home."

In addition, the bill establishes an Office of Consumer and Market Access, which would administer a new Market Access Fund to address the homeownership and rental housing needs of low- and moderate-income, and underserved or hard-to-serve populations. This Fund would provide grants and loans, including through the use of pilot programs, to support the research and development of sustainable homeownership and affordable rental programs, including manufactured homes purchased through real estate and personal property loans and manufactured homes used as rental housing.

The Market Access Fund would also be tasked with providing credit enhancement and support for products and services that increase the rate of sustainable housing, including the purchase or rental of manufactured homes.

"MHI applauds the bipartisan approach taken by Chairman Johnson and Ranking Member Crapo and their recognition of the importance of manufacturing housing in rural and underserved areas," said Richard Jennison, President and CEO of MHI. "We look forward to continuing our work with Congress to further strengthen securitization resources for manufactured housing."

The Manufactured Housing Institute (MHI) is the preeminent national trade association for the manufactured and modular housing industries, representing all segments of the industries before Congress and the Federal government. From its Washington, D.C. area headquarters, MHI actively works to promote fair laws and regulation for the manufactured and modular housing industries, as well as all MHI members.

For more information please visit: <http://www.manufacturedhousing.org>

CONGRATULATIONS!

**Synergy Homes,
Statesville, NC**

**National Retail Sales
Center of the Year
(South)**

A recent account of a local housing Association showed that they had raised \$100,000 for their PAC (Political Action Committee). This figure astounded me because of the fact that this was just one "chapter" raising much needed money for a great cause. It made me think why we couldn't, as a state-wide association, do the same.



Lovin

It may be difficult for some of our members who have not participated in any MaHPAC activities to come to the conclusion that each member should make a significant contribution to our MaHPAC fund. However, whether you agree with the idea of MaHPAC or not, the truth is that it's essential in today's political arena to gain influence.

To be able to provide housing for our customers, it is imperative that we elect pro-housing candidates at the local, state and national levels. There are so many people who oppose growth and home-building issues. If we fail to elect representatives who support housing issues, quickly we will find there is no place for our homes.

As you know, last year, we were hit with a sales tax increase in the General Assembly that had a tremendous impact on our industry. However, because of the hard work of members from all across NC and their contributions to MaHPAC, we were able get our sales tax reduced to a more reasonable rate. Without the relationships that MaHPAC helped build in the General Assembly, we would not have been able to get the kind of results that we experienced.

These relationships with legislators don't necessarily come just from having a winning personality. Politicians are generally preoccupied with elections and political campaigns are exceptionally expensive. A lot of money is required to ensure the success of pro-housing candidates. But once we elect pro-housing officials, they know who helped ensure their election success, and it is those who have favorable access after the election.

So if you have not given to MaHPAC in the past, I urge you to do so in the coming year. Your contribution is an investment in your own business. If we receive just \$25 from each member, we will be one of the biggest PACs in the state.

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Calendar of Events

The following is a list of events that NCMHA will be hosting in the coming months including Board of Directors dates. Please mark your calendars and plan on attending!

September 17, 2014

Registered Housing
Specialist Seminar and State Test
Raleigh, NC

September 24, 2014

NCMHA Board of Directors Meeting
Raleigh, NC

October 16-26, 2014

NC State Fair

November 19, 2014

Registered Housing
Specialist Seminar and State Test
Raleigh, NC

December 10, 2014

Registered Housing
Specialist Seminar and State Test
Raleigh, NC

December 11, 2014

NCMHA Board of Directors Meeting
Raleigh, NC

March 11, 2015

NCMHA Board of Directors Meeting
Raleigh, NC

May 13, 2015

NCMHA Legislative Day/ NCMHA
Board of Directors Meeting
Raleigh, NC

ANNUAL MEETING 2014

Many thanks to all the companies that made our meeting such a success!

SPECIAL EVENT ...



PLATINUM LEVEL ...



GOLD LEVEL ...



SILVER LEVEL ...



BRONZE LEVEL ...



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Haylor, Freyer & Coon, Inc.



For more photos, visit our website
at www.nc-mha.org



2014 NCMHA ANNUAL MEETING *continued from page 4*

the manufactured and modular housing industry, as well as consistently supporting NCMHA and the industry as a whole Frank's Home Place and Clayton Homes of Fayetteville were named Independent and Multi-lot Retailer of the Year respectively. Andy Miller was honored with the President's award for appreciation of his outstanding and dedicated support to the industry and NCMHA and to recognize and honor him for his leadership, high professional standards and personal integrity.

SPEAKERS

After the awards presentation attendees received an update from our primary industry regulator, North Carolina Department of Insurance Commissioner Wayne Goodwin. Commissioner Goodwin was followed with a tag team presentation by MHI President & CEO Dick Jennison & MHI Senior VP of Government Affairs Jason Boehlert, who updated the membership on MHI's legislative and regulatory policies and current regulatory issues.

Thank you from NCMHA to all the members and sponsors who supported the Annual Meeting and once again made it a success. Congratulations to the award winners and the new 2014/2015 Board of Directors.



Mike Smith, Clayton Homes of Fayetteville, NCMHA Multi-lot Retailer of the Year



Andy Miller accepts the NCMHA Presidents Award



Mike Miller, Frank's Home Place, NCMHA Independent Retailer of the Year

Jason Boehlert, MHI Sr. VP of Government Affairs & Dick Jennison, MHI President & CEO



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HUD's FY 2015 Budget Requests Label Fee Increase

The Obama Administration's Fiscal Year 2015 budget, presented to Congress earlier this week, proposes to fund the HUD Manufactured Housing Construction and Safety Standards program at a level of \$10 million. To meet this budget, HUD plans to propose a label fee increase of up to \$100 per floor, and expects to have a new fee in place later this year. Under current law, HUD will need to conduct rulemaking, including justifying any fee increase and asking the Manufactured Housing Consensus Committee (MHCC) to consider its proposal. However, the proposal says that HUD plans to seek a legislative change authorizing it to set future fee changes via notice, rather than full blown rulemaking.

The \$10 million budget for the Manufactured Housing Program is in addition to nine full time employees in the Office of Manufactured Housing that HUD says it needs to administer the Manufactured Home Inspection and Monitoring Program, and relies on contractors to conduct monitoring and to administer the MHCC. The salaries and expenses for the manufactured housing program staff are paid out of the general HUD Salaries and Expenses account, funded with congressional appropriations.

HUD estimates the following FY 2015 budget

obligations for the Manufactured Housing Program:

- \$3.3 million (the same as FY2014) to fund 37 State Administrative Agencies (SAAs)
- \$4 million to fund the monitoring contract for monitoring primary inspection agencies and the states
- \$1.5 million to regulate and enforce model installation standards in 17 states that do not have such programs
- \$500,000 to regulate and enforce Dispute Resolution Programs in 23 states that do not have programs
- \$100,000 for the contract to NFPA for Administering the Manufactured Housing Consensus Committee (for a one year contract)
- \$60,000 for meeting planner services to fund regional SAA meetings

Although much of what the President has proposed in his annual budget submission to Congress is not likely to pass, the proposals for HUD's Manufactured Housing Program are consistent with the two year budget deal that passed the Congress late last year.

MHI members can contact Lois Starkey at (703) 558-0654 or lstarkey@mfghome.org.



It's NC State Fair Time and We Need Volunteers to Man the House!!!

We need 2 volunteers per shift each day

Dates: Friday, October 17th - Sunday, October 26th

Shifts: 12:00 noon – 4:00 pm
4:00 pm – 8:00 pm

To sign up or for more information:

Call NCMHA: 919-872-2740
Email: dana@nc-mha.org
bobbie@nc-mha.org

2014 NC STATE FAIR

NC State Fairgrounds, Raleigh, NC

Thursday, October 16th

thru

Sunday, October 26th

SIGN UP NOW !!

Every year the NCMHA sponsors a house in which thousands of people get a chance to look at our product and see the quality, craftsmanship and beauty that we all know as a factory-built home. This is the largest education and marketing event of the year! Don't miss your chance to be a part of the most memorable exhibit of the State Fair!

Durwood Batchelor Honored with Prestigious LaVasque Award at 2014 Annual Meeting

The James E. LaVasque Award is the highest honor bestowed upon a member of NCMHA. The award is presented annually to a member who embodies the high standards, vision and leadership ability of Oakwood Homes President James E. LaVasque, an industry pioneer who was one of the founders of the association and served as one of its first presidents.

This year, Durwood Batchelor joined the distinguished list of the LaVasque award recipients in tribute to his many years in the industry. Durwood has dedicated most of his life to our industry and has been a member of NCMHA for over 30 years. He was appointed by Governor Jim Hunt to serve as a member on the NC Manufactured Housing Licensing Board, a seat that he held for two terms. He was a founding member of the NC Manufactured Housing Suppliers Council and he also served on the NCMHA Board of Directors for many years.

After 17 successful years in Banking, Durwood started Batchelor Supply in 1984 growing the



Batchelor

company from scratch and creating a warehouse distribution center to serve the manufactured and modular industry. The company grew quickly and he expanded in 1998 to a new 100,000 square foot facility in NC. Even after many episodes with health issues and numerous operations, his goal was to always provide good service to his customers. His mission was 100% satisfaction and nothing less would do. He demanded his employees treat customers with fairness and honesty in all aspects of the business. Those loyalties led to a very successful business which is still in operation today.

Health issues forced Durwood to retire in 2007. His lack of physical strength and limited mobility required him to rest and relax at home. Finally, after many attempts he received a new heart in February of this year. Today he is recovering at home in Garner with his wife Faye. They have high hopes to get out and travel, visit friends, and most importantly spend more time with his daughter Jennifer and grandchild Piper.

North Carolina State Representative Julia C. Howard Receives Steve Zamiara Excellence in Government Award

North Carolina State Representative Julia C. Howard was honored with the Steve Zamiara Excellence in Government award for her determination, commitment and untiring efforts to protect and preserve affordable housing opportunities for the citizens of North Carolina through her support of the manufactured and modular housing industry.

This award was created in honor of former NCMHA Execu-

tive Director, Steve Zamiara, because of the work that he did for the industry in the public as well as the private sector. The award honors public servants that have demonstrated leadership, commitment and dedication to the manufactured and modular housing industry. Qualifications for the award include being: an elected/appointed official; a strong supporter of the manufactured/modular industry; a person of strong moral ethics; a leader in their respected field; self-

less on behalf of the people they represent; committed to forging a positive relationship with industry members; understanding of the role of having a public and private relationship and; a person that works on behalf of the industry on an important issue affecting NCMHA members.

Important Tax Law Changes **Effective- September 1, 2014**

On August 5th Governor Pat McCrory signed into law the Appropriations Act of 2014. This new law will impact our industry and consumers. Beginning on September 1, 2014, 50% of the sales price for both HUD Code and Modular Home sales will be exempt from taxation. There is no change in who collects the sales tax, and there is no change in the applicable sales tax rate of 4.75%. The new law only changes the amount of the sales price subject to the tax. For sales on and after September 1, 2014, 50% of the sales price will be exempt from tax. Below are examples of how this affects HUD and Modular homes:

1. HUD Code- "The general rate of 4.75% applies to the sales price of each manufactured home sold at retail, including all accessories attached to the manufactured home when it is delivered to the purchaser". Beginning September 1, 2014, in order to determine the tax liability you will exempt 50% of the sales price and multiply that amount by 4.75%. [The retailer will continue to collect the tax when the home is sold to the consumer].

Example: Retailer sells HUD home for \$50,000 to consumer. To calculate the tax you will:

$$\$50,000/50\% = \$25,000$$

$$\$25,000 \times 4.75\% = \$1,187.50$$

2. Modular- "The general rate of 4.75% applies to the sales price of each modular home sold at retail,

including all accessories attached to the modular home when it is delivered to the purchaser. The sale of a modular home to a modular homebuilder is considered a retail sale. The retail sale of a modular home occurs when a modular home manufacturer sells a modular home to a modular homebuilder or directly to the end user of the modular home". Beginning September 1, 2014, in order to determine the tax liability you will exempt 50% of the sales price and multiply that amount by 4.75%. [The manufacturer will continue to collect the tax when the modular home is sold to the retailer].

Example: Manufacturer sells MOD to retailer/builder for \$100,000. To calculate the tax you will:

$$\$100,000/50\% = \$50,000$$

$$\$50,000 \times 4.75\% = \$2,375$$

NCMHA fought very hard for this legislation. Members from all across North Carolina made calls, sent emails, and made personal visits with legislators. Without those efforts we would not have been able to get this legislation approved. A very special thank you goes to all those members!

If you have any questions or need additional information please contact Brad Lovin at the NCMHA office Brad@NC-MHA.org (919) 872-2740.

Legislative Update *continued from page 5*

HB 1133- Technical and Other Corrections- This bill makes several technical changes to the NC General Statutes. Specifically for our members, we were able to get a provision added to this bill that clarifies the authority of a lender to charge an origination fee on a loan secured by a manufactured home only.

Update: The Governor signed the bill into law on August 11, 2014.

A special thanks to all those who attended our Legislative Day! Your participation helped make this year's legislative session a huge success!

GIVE TO THE SCOTT MORTON EDUCATIONAL TRUST TODAY!

We all know how tough the economy is, but is in these times that it is even more important to give! When debating about where to invest your hard earned money, think about giving your tax deductible donation to the Scott Morton Educational Trust today! It is worth every penny!

For more information on how you can contribute to this important fund please contact Bobbi Peterman at 1.800.849.6311 or bobb@nc-mha.org.

The purpose of MaHPAC (Manufactured and Modular Homebuilders Political Action Committee) is to support North Carolina state legislators, legislative candidates, and local officials who identify with and support the aims of our Association. MaHPAC supports candidates who are concerned about housing issues, and who believe in fair and equal

treatment for factory-built homes. In today's regulatory and political environment, government's involvement in our industry is at an all-time high. Whether through lending, sales transactions, record keeping or taxes, we are regulated by all levels of government now more than ever. Financial participation in the political and legislative process allows our

manufactured and modular housing voice to be heard. We must support those candidates who support our views. We must support those candidates who are, well frankly, willing to help our industry. We have to raise more awareness about our issues and to do that WE MUST RAISE MORE PAC MONEY!

MaHPAC Fundraisers Add to the Coffers



MaHPAC Golfers preparing for the challenge



MaHPAC Golf Tournament-1st place team



MaHPAC Golf Tournament-Last place team

This year, the Manufactured Housing Political Action Committee held three successful events to help raise much needed money. The first fundraiser was MaHPAC's Annual Golf Tournament, which was held Wednesday morning at the Grandover's world renowned West Course. Though it was a "little" warm, a great time was had by all and MaHPAC netted an additional \$1,200 to add to its coffers. Cash prizes were awarded to the 1st place team of Eric Coulter, Clay Dellinger, Mike McLean and Henry Drury and let's not forget the lovely trophies awarded to last place winners Jerry Scalf, Gary Boerner, Gary Kowalski and Joe Earnhardt. Thank you to all the golfers who supported the tournament and we hope to see you again next year!

The committee also held a raffle for a Benelli 12 Gauge Super Black Eagle II Semi Auto Shotgun donated by Tonnie and Marilyn Prevatte. One thousand six hundred and seventy-seven tickets were sold between December and June and the winning ticket, held by Gary Langley of Charlotte, NC, was drawn by NCDOT Commissioner Goodwin on June 5th at the NC-MHA Annual Meeting. All of the hard work selling tickets paid off with a \$8,385 increase in the MaHPAC

2014 MaHPAC Raffle



Thank you !!!

**to our top 10 ticket sellers for the
Benelli 12 Gauge Super Black Eagle
II Semi Auto Shotgun donated by
Tonnie and Marilyn Prevatte . . .**

**Tonnie Prevatte
Philip Moncure
Harley Cole
Keith Miller
John Bowers
Steve Collins
Joe Earnhardt
Paige Janey
Mike Smith
JT Tipton**

2013/2014 Leaders of the PAC

PLATINUM LEVEL
\$2,001 - \$3,000

Tonnie Prevatte
Chris Parrish

GOLD LEVEL
\$1,001 - \$2,000

John Bowers
Harley Cole
Mike Smith
Western Manufactured
Housing Association

SILVER LEVEL
\$501 - \$1,000

Sonny Bannister
Mark Celedonia
Cameron Colvin
Joe Earnhart
Frank Gray
Brad Lovin
Keith Miller
Dolph Myrick
Billy Owens
Dascheil Propes
Al Randall
Faye Starling
Kent Suits

BRONZE LEVEL
\$250 - \$500

Joe Adams
David Bannister
Rolly Bannister
Gail Bannister
Gary Boerner
Jerry Brewer
Jeff Butler
Luke Foster
John Foster
Sean Gebhart
Billy Glover
Scott Harker
Rick Hill
Jim Holmes

Jeff Jones
Charles Miller
Jim Miller
Scott Montgomery
Mark Morgan
George Norris Jr
Corbitt Norris
Ted Nowell
Haywood Outlaw
Terry Pate
David Rand
Eddie Sellers
Jim Starling

MaHPAC Fundraisers *continued . . .*



NCIRG Members pose with their trophy

fund balance. Thanks to Marilyn and Tonnie Prevatte for donating the prize and all who participated and supported MaHPAC both buying and selling tickets!!

The third MaHPAC fundraiser was the annual Retailer Challenge a friendly competition to see who could raise the most money for MaHPAC, the Independent or Multi-lot Retailers. The Independent retailers won the challenge with a grand total of \$1,800. Multi-lot retailers also made a sizeable contribution of \$525. Thanks to everyone who gave of their time and money and for finding a fun way to raise money for such an important cause!

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COMMUNITY OWNERS	SERVICE/SET-UP CONTRACTORS
<ul style="list-style-type: none"> ◆ General Liability ◆ Rentals ◆ Workers' Compensation 	<ul style="list-style-type: none"> ◆ Liability ◆ Tow Trucks ◆ Property ◆ Bonds

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The Scott Morton Educational Trust was established in 1988 in the memory of former NCMHA Executive Director, Patsy Morton Rumbley's son, Scott who was killed in a tragic dirt bike

accident. His love of life, family, friends and faith in the future is the spirit in which this trust is formed.

The Trust supports the pursuit of higher education by awarding annual cash stipends to grad-

uating high school seniors, adults attending college, junior college or technical school, or students with special educational gifts or needs.

Seven students were chosen as this year's recipients:



Madison Bobbitt
Campbell University



Paige Norwood
Johnson & Wales University



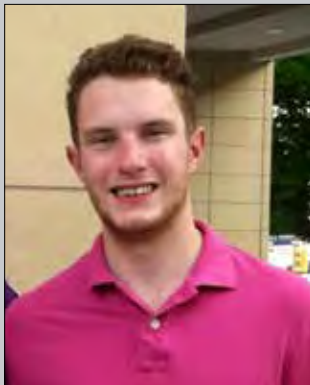
Caitlin Pavese
Mars Hill University



Savannah Smith
Wingate University



Colton Troxler
Sandhills Community College



Matthew Turpin
UNC Asheville



Patrick Wiley
NC State University

HUD CODE June 2014

	Through June 2014		Through June 2013		Percentage Change
	Shipments	Market Share	Shipments	Market Share	
New England	419	1.4%	373	1.3%	12.3%
Middle Atlantic	1,278	4.2%	1,396	4.8%	-8.5%
East North Central	2,294	7.5%	2,384	8.2%	-3.8%
West North Central	1,558	5.1%	1,617	5.5%	-3.6%
South Atlantic	5,745	18.7%	5,631	19.3%	2.0%
East South Central	4,232	13.8%	4,264	14.6%	-0.8%
West South Central	10,557	34.4%	9,556	32.8%	10.5%
Mountain	2,071	6.8%	1,964	6.7%	5.4%
Pacific	2,015	6.6%	1,667	5.7%	20.9%

	Through June 2014		Through June 2013			Percentage Change
	Shipments	Market Share	Shipments	Market Share	Rank	
1. Texas	6,982	22.8%	5,756	19.8%	1	21.3%
2. Louisiana	2,133	7.0%	2,224	7.6%	2	-4.1%
3. Florida	1,761	5.7%	1,424	4.9%	3	23.7%
4. California	1,247	4.1%	1,014	3.5%	9	23.0%
5. Mississippi	1,236	4.0%	1,211	4.2%	5	2.1%
6. Alabama	1,178	3.8%	1,156	4.0%	6	1.9%
7. North Carolina	1,072	3.5%	1,250	4.3%	4	-14.2%
8. South Carolina	992	3.2%	1,019	3.5%	8	-2.6%
9. Michigan	979	3.2%	893	3.1%	10	9.6%
10. Kentucky	959	3.1%	1,061	3.6%	7	-9.6%
	18,539	60.5%	17,008	58.4%		9.0%

North Carolina Product Mix June 2014

Shipments			Production		
Single-Section	Multi-Section	Total Shipments	Single-Section	Multi-Section	Total Shipments
90	111	201	79	111	190

North Carolina	2013	2014	% Change
Home Production	216	190	-12.0%
Home Shipments	216	201	-6.9%

MODULAR 2nd Quarter 2014

Shipments of Modular Homes by State Ranked from Highest to Lowest 2 nd Quarter 2014		
	Modular Shipments	% of Total
New York	490	13.8%
North Carolina	340	9.6%
New Jersey	286	8.1%
North Dakota	231	6.5%
Virginia	220	6.2%
Pennsylvania	216	6.1%
Massachusetts	105	3.0%
Iowa	95	2.7%
Texas	94	2.7%
Maine	91	2.6%
Minnesota	78	2.2%
Illinois	75	2.1%
Florida	73	2.1%
Montana	67	1.9%
Michigan	67	1.9%
South Carolina	64	1.8%
Wisconsin	60	1.7%
Tennessee	57	1.6%
Ohio	55	1.6%
Colorado	55	1.6%
Indiana	53	1.5%
Nebraska	49	1.4%
South Dakota	46	1.3%
West Virginia	45	1.3%
Louisiana	44	1.2%
Maryland	41	1.2%
Delaware	40	1.1%
Connecticut	38	1.1%
Missouri	29	0.8%
Vermont	24	0.7%
New Hampshire	19	0.5%
Georgia	19	0.5%
Alabama	8	0.2%
Rhode Island	8	0.2%

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