

# North Carolina

## MANUFACTURED & MODULAR HOUSING NEWS

*The official magazine of the NCMHA*

VOL. 31, NO. 1



**Payment of Referral Fee to Retailer**

**Licensing Requirements for Mortgage Activities**

**Save the Date-Wednesday, June 16 & Thursday, June 17, 2010  
Grandover Resort & Conference Center, Greensboro, NC**

The official magazine of NCMHA

The North Carolina Manufactured & Modular Housing News is published 4 times a year 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

# INSIDE THIS ISSUE

VOL. 31, NO. 1

## Features

- 4 Save the Date – 2010 NCMHA Annual Meeting – June 16th & 17th, 2010**
- 6 Hazel Stephenson to Retire from NC Department of Insurance**
- 8 Payment of Referral Fee to Retailer**
- 11 We Must Build and Strengthen Our MaHPAC Fund**
- 13 Licensing Requirements for Mortgage Activities**

## Departments

- 3 President's Column**
- 3 New Members**
- 7 Insurance Commissioner's Column**
- 9 Executive Director's Column**
- 9 Calendar of Events**
- 15 Statistics**

Another year is well under way and we have many important issues and events on the horizon. Industry wise, we are facing a lot of new regulations and proposed legislation that will affect our businesses. Please take the time to read over this issue of the *NC Manufactured & Modular Housing News* filled with significant information relating to you and your business. If you have any questions about any of the articles, please do not hesitate to call the association office and speak to a staff member.



Sauls

We are already gearing up for another busy legislative session. There will be a number of hot topics on the table that will affect us and we are counting on all of you to stay involved and active and be advocates of the association. With so many issues on the table this year, it's even more imperative that you attend association meetings and events, especially our annual Legislative Day. This event is held in the midst of the legislative session and allows us to interact with our legislators one-on-one and discuss issues that are affecting our industry. Please mark your calendar to attend NCMHA's Legislative Day in Raleigh on Tuesday, May 18th!

Another event the association is gearing up for is the Annual Meeting. Again this year, we will hold it in the middle of the week, June 16th & 17th, at the Grandover Resort in Greensboro. This forum has worked well for us since it offers easy access for most members and allows everyone to take time out of their busy schedule to attend one of the association's most important meetings of the year. Plan on attending the Wednesday evening welcome reception as well as the business meeting on Thursday to take advantage of this great opportunity to socialize and network with your fellow members at one of the premier resorts in our state.

With all of the challenging issues we have faced in the industry, I am proud to say that our association is still here plugging along and fighting for us. I encourage all of you to continue to utilize this important resource and to share your membership commitment with those that have not joined or are not active in our association. NCMHA plays such a vital role in this industry, we should all be supportive and proud to be a part of it.

Finally, it is no secret that our industry has radically changed over the last several years and we need to change with the times. Several of our members have told me positive and uplifting stories on how they've dramatically changed their business models to adapt to today's economic climate. It took some time, but they finally realized the old adage "if you always do, what you've always done, you always get, what you've always got." In the past that mostly meant prosperity, but in today's world that does not always hold true. So in order to survive and prosper they had to take a step back, reevaluate and then re-focus. Don't get me wrong, I'm not saying this is easy, but it is necessary. If you are interested in learning about new and innovative ways to refocus your business, I encourage you to participate in NCMHA and utilize all it's resources. Trust me, you and your business will benefit greatly.

## Welcome New Members

The following new members have been reviewed by the Board of Directors since the last issue of *The North Carolina Manufactured & Modular Housing News*.

**CAROLINA VILLAGE  
MHP, LLC**  
Concord, NC

**RAY SHANKLE HOME  
SALES, INC**  
Hamlet, NC

**T&W MOBILE HOME  
MOVERS DBA RAY'S HOMES**  
Shelby, NC

**WINGLERS MOBILE HOME  
SERVICE, LLC**  
Ronda, NC

## NCMHA Comments on SAFE Act

NCMHA had the opportunity to comment on HUD's Proposed Rules to Implement the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act). For a full copy of the document, please contact NCMHA.

# Save the Date – 2010 NCMHA Annual Meeting – June 16th & 17th, 2010

It's time again to start making plans to attend the NCMHA Annual Meeting! This year, the meeting will be a day and a half event Wednesday, June 16th and Thursday, June 17th at the Grandover Resort and Conference Center in Greensboro, NC.

This year's theme is "Networking 2010". The committee is still in the early planning stages, but have many exciting events scheduled including Wednesday's Golf Tournament and Silent Auction to raise money for MaHPAC as well as a Welcome Reception featuring Brad Krantz of FM Talk 101.1, WZTK Greensboro. Thursday's

agenda will include elections, awards, speakers on economic conditions and how it's affecting our industry and a buffet lunch.

Special Event Sponsorships still available include the Annual Meeting Lunch \$2,500, Welcome Reception \$1,500, General Session \$1,500, MaHPAC Golf - Hole In One Contest \$500 as well as the unlimited general sponsorships of Platinum \$1,000, Gold \$750, Silver \$500 and Golf Hole \$250.

The Grandover is offering a special rate to NCMHA members of \$139 King or Double Queen Occupancy, NCMHA has not retained



a block of rooms, therefore it is imperative that you make your reservation early.

For more information or registration forms please contact NCMHA at 919.872.2740 or visit our website at [www.nc-mha.org/events/](http://www.nc-mha.org/events/)

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- General Liability
- Modular Set-up Bonds

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## Have You Surfed the NCMHA Website?



In line with the association's re-branding, NCMHA worked with an outside agency to help design and create a new and exciting user-friendly website. The site has new and improved information as well as features to better serve you.

We hope you like our refreshing new look to compliment the outstanding services we provide to members as well as consumers. Please take the time to log on today to [www.nc-mha.org](http://www.nc-mha.org) and let us know what you think!

## Updates on FHA and Sprinklers from MHI

### FHA and HUD

In 2009, MHI met with FHA Commissioner David Stevens twice within four months. MHI used both opportunities to give the new Commissioner its perspective on the industry, and primarily focused on the importance and necessity of financing in this difficult environment. MHI continues to press for expedited full implementation of FHA Title I (home only) reforms which will lead to lifting the Ginnie Mae moratorium on new issuers. In addition, MHI highlighted matters relating to FHA Title II program (land-home) including repeal of the Guide to Permanent Foundations. While 2009 was a challenging time

for the FHA programs, MHI believes that this should not deter or delay the FHA's programs for manufactured housing. MHI also continues to raise the non-career administrator position for manufactured housing.

### Sprinklers

In late 2009, a ballot went out to all member manufacturers to develop MHI's position on sprinkler requirements. After careful deliberation, a large majority elected to have MHI continue to fight the adoption of sprinkler requirements at the state and local levels, but would also like MHI to actively explore a HUD-code based solution for the adop-

tion of a mechanical fire suppression device to be used only when a local jurisdiction requires sprinklers for all forms of single family housing. MHI does not advocate making sprinklers mandatory for manufactured homes, regardless of the local requirements. However, many believe this is an opportunity for the industry to stay ahead of the curve instead of having standards imposed upon them. MHI is also going to develop talking points to assist our grassroots to fight adoption of sprinkler requirements at the state and local level.

## Groups Urge Sending FEMA Units to Haiti

MHI, MHARR, and National Association of State Agencies for Surplus Property are concerned about the auction of FEMA temporary homes remaining after Hurricane Katrina. The organizations warned that selling the leftover units at a fraction of their market value would only handicap the manufactured housing industry further. Dumping nearly 9,000 FEMA units into the market would represent more than 85 percent of all new units shipped to Alabama, Arkansas, Florida, Louisiana, and Mississippi during the first 10 months of last year, the release pointed out. "In some cases, they're talking about introducing hundreds of units in a market that sold 70 in an entire year," explains Phil Ingrassia of the Recreational Vehicle Dealers Association. Instead of flooding the market with the disaster-ready homes, which would trigger "losses to builders and sellers of these products" and create job losses, some industry insiders are recommending that the unused mobile homes be sent to Haiti, which recently suffered a devastating earthquake. "It would be one way to use the trailers for what they were meant -- emergency housing, whether here or Haiti," Ingrassia remarked.



The 2010 National Congress & Expo for Manufactured and Modular Housing will be held April 13-15, 2010 at the Caesars Palace in Las Vegas, Nevada. We hope to see you there for our 20th Anniversary Celebration!

The National Congress & Expo is the largest annual national tradeshow for the manufactured housing and modular housing industry sectors.

This is the premiere opportunity to network with hundreds of industry leaders, including community owners and operators, builders and developers, and manufacturers!

<http://www.congressandexpo.com/2010>

## New United States Environmental Protection Agency Lead-Based Paint Renovation and Repair Regulations

The Environmental Protection Agency (EPA) has revised its Lead-Based Paint Renovation and Repair Regulations and now requires property owners and management companies to implement lead-safe work practices and certification training for paid contractors and maintenance professionals working in pre-1978 housing.

### Information for Property Owners of Rental Housing, Child-Occupied Facilities

Property owners who renovate, repair, or prepare surfaces for painting in pre-1978 rental housing or space rented by child-care facilities must, before beginning

work, provide tenants with a copy of EPA's lead hazard information pamphlet *Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools*. Owners of these rental properties must document compliance with this requirement – EPA's sample pre-renovation disclosure form may be used for this purpose. Target housing means any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any one or more children age 6 years or under resides or is expected to reside in such housing for the elderly or persons with disabilities) or any 0-bedroom dwelling.

After April 22, 2010, property owners who perform these projects in pre-1978 rental housing or space rented by child-care facilities must be certified and follow the lead-safe work practices required by EPA's Renovation, Repair and Remodeling rule. To become certified, property owners must submit an application for firm certification and fee payment to EPA. EPA began processing applications on October 22, 2009. The Agency has up to 90 days after receiving a complete request for certification to approve or disapprove the application. Read more about EPA's rules and lead-safe work practices in EPA's pam-

*continued on page 10*

### New Fee Structure for North Carolina Manufactured and Modular Licenses

- Manufacturer: \$320
- Dealer: \$265
- Set-up Contractor: \$265
- Salesperson: \$35
- Renewal-Late Fee Salesperson: \$35
- Renewal-Late Fee Dealer: \$250
- Renewal-Late Fee Set-Up Contractor: \$250
- Renewal-Late Fee Manufacturer: \$30-\$320
- Transfer of Salesperson License: \$17
- NC Modular Stamps (Panelized): \$1.10
- Third Party Agency-Initial Application Fee: \$600
- Third Party Agency-Annual Renewal Fee: \$220
- Manufacturer-Initial Certification Review Fee: \$1500
- Manufacturer-Annual Registration Renewal: \$120
- Manufacturer-Annual Registration Renewal (Late Fee): \$30

### Hazel Stephenson to Retire from NC Department of Insurance

Hazel Stephenson, Manufactured Building Division Deputy Director, recently announced her retirement from State government.

Stephenson began her career in state government in 1977 where she was employed with the Administrative Office State Crime Control. Just one year later, she joined the Department of Transportation Division of Motor Vehicles. In 1985 she joined the Department of Insurance in the Engineering Division and joined the Manufactured Building Division in 1990 where she stayed for the remainder of her years.

Hazel has been an integral part of the industry and will be missed by many.



*Stephenson*

## *Message from Insurance Commissioner Wayne Goodwin*

It's no secret that our country is facing one of the biggest economic downturns since the Great Depression. I think it's also safe to say that we've all heard about how the mortgage crisis has played a major role in the overall financial struggles our country is facing. The federal and state governments have both passed legislation in an attempt to alleviate some of the financial pressures facing citizens every day; the government has also passed legislation aimed at preventing our country from facing this type of economic turbulence in the future.



*Goodwin*

In 2008, Congress passed the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) in response to the meltdown in the mortgage industry, and its purpose is to enhance consumer protection and reduce fraud through regulatory oversight and licensing. This legislation is very important to North Carolinians, and I strongly encourage you to learn as much as you can about this issue. In fact, in this issue, the Commissioner of Banks Office provides a very detailed explanation of what you need to know.

I also want to let you know about a new program at the Department. I have implemented an online suggestion box for anyone who has suggestions for the Department. It's basically just another way to connect with the public and take consumer protection and our customer service to a new level at the North Carolina Department of Insurance and Office of State Fire Marshal. I can't promise that all suggestions will be implemented, but I have a dedicated staff member who will review all the suggestions that come in and forward them to the appropriate contact. If you have a suggestion for us, please visit [www.ncdoi.com](http://www.ncdoi.com) and click on the online suggestion form.

Of course, if you ever have specific questions about the Department's licensing procedures or general questions for our staff in the Manufactured Building Division, please call them directly at 919.661.5880 or visit [www.ncdoi.com/osfm](http://www.ncdoi.com/osfm).

### **Raleigh Company Serves as Drop off for Haiti Relief**

Batchelor Supply, located in Garner, NC, is the official drop off point and staging area for container shipments of relief supplies for the Raleigh area Rotary Club. For more information, call (919) 779-0296.

## **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.

**March 6, 2010**  
Hilton/RTP  
Durham, NC

**March 9, 2010**  
Hampton Inn/Mooresville  
Mooresville, NC

**March 13, 2010**  
Doubletree Biltmore  
Asheville, NC

**April 3, 2010**  
Hilton/RTP  
Durham, NC

**April 6, 2010**  
Hampton Inn/Mooresville  
Mooresville, NC

**April 10, 2010**  
Doubletree Biltmore  
Asheville, NC

*Note: All dates on calendar are tentative.*

# Payment of Referral Fee to Retailer

By: R. Frank Gray, NCMHA Legal Counsel

The question has been raised to NCMHA whether the new SAFE Act prohibits a lender from paying a fee to a retailer for referring a “home only” or chattel mortgage loan customer to the lender.

The new SAFE Act (passed by Congress and then implemented by each state) applies to “residential mortgage loans” which at first blush would not seem applicable to a “home only” loan. A closer reading, how-



ever, reveals that the definition of “residential mortgage loan” includes a loan which is secured only by a security interest on a manufactured home.

Another provision of the Act makes it unlawful for any person, in the course of a residential mortgage loan transaction, to pay any commission or fee for brokering a mortgage loan. The SAFE Act is still in its infancy, and this provision has not yet been interpreted by the regulators or the courts. However, because the lender’s payment to the dealer could be construed as a commission or fee for brokering the loan to the lender, it would be the better practice for a lender not to pay any such fee. The full statu-

tory provision is printed below.

“§ 53-244.111. **Prohibited acts.** In addition to the activities prohibited under other provisions of this Article, **it shall be unlawful for any person in the course of any residential mortgage loan transaction:**

(1) To misrepresent or conceal the material facts or make false promises likely to influence, persuade, or induce an applicant for a mortgage loan or a mortgagor to take a mortgage loan, or to pursue a course of misrepresentation through agents or otherwise.

(2) To improperly refuse to issue a satisfaction of a mortgage.

(3) To fail to account for or to deliver to any person any funds, documents, or other thing of value obtained in connection with a mortgage loan, including money provided by a borrower for a real estate appraisal or a credit report, which the mortgage lender, mortgage broker, mortgage servicer, or mortgage loan originator is not entitled to retain under the circumstances.

(4) **To pay, receive, or collect in whole or in part any commission, fee, or other compensation for brokering or servicing a mortgage loan in violation of this Article, including a mortgage loan brokered or serviced by any unlicensed person other than an exempt person.**

## Call for Nominations for the Scott Morton Educational Trust Fund!

The Scott Morton Educational Trust Fund awards scholarships based on a combination of need and merit to graduating high school seniors; adults attending college, junior college or technical school; or to students with special educational gifts or needs. Applicants must be nominated by an employee of a NCMHA member firm. Awards are for one year, but scholarship recipients will be eligible for consideration for renewal if they make satisfactory progress in their studies.

For a nomination form or an application packet, please contact Bobbi Peterman at 1.800.849.6311 or e-mail [bobbi@nc-mha.org](mailto:bobbi@nc-mha.org).

*Deadline for Applications:*  
**April 13, 2010**



In recent days, the North Carolina House and Senate Finance Committees have been meeting to discuss the potential of reforming North Carolina's revenue system. NCMHA has been attending and monitoring the activity of this joint Committee.



*Lovin*

In a recent meeting, a survey was presented by the Federation of Tax Administrators and lists 166 different services that are taxed in at least one state. It shows how many states tax that service and indicates whether or not North Carolina taxes it. As in previous meetings, arguments against taxing business to business services were presented.

One of the strongest arguments for this reform is that North Carolina's economy has changed dramatically while the tax structure has remained the same since the Great Depression. The tax structure was built around a manufacturing based economy but does not apply to today's North Carolina which employs more people in knowledge and service based jobs.

Realizing that North Carolina's tax structure needs to be overhauled to reflect current revenue needs and sources, legislators are considering lowering the rates and broadening North Carolina's tax structure base. Broadening the tax base would likely include taxing services. Some commonly-taxed services that are not currently taxed include such things as: repairs, installation, warranties, maintenance and storage. This would obviously have a huge impact on our industry.

By modifying the tax structure to include services, our state government could (and should) effectively reduce the income tax rate. Currently, North Carolina falls below the national average of taxed services. North Carolina taxes only 30 out of a possible 168 services; 27 other states tax more services than our state.

North Carolina could be on the verge of a dramatic change in its income and sales tax policies. However, because 2010 is an important election year and legislators generally do not make any controversial decisions during this time, it is unlikely that the legislature will move forward with any major changes during this short session. However, we do believe that this issue will be front and center in 2011. We will continue to monitor its progress and keep you updated on any new information that comes about.

## Association Directories are Here!

The 2010 NCMHA directories are here. Have you received yours? If you haven't please contact the association office for more information, 919.872.2740.

## 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!

### March 17, 2010

Registered Housing Specialist Seminar and State Test  
Raleigh, NC

### April 7, 2010

Registered Housing Specialist Seminar and State Test  
Raleigh, NC

### April 8, 2010

NCMHA Board of Directors Meeting  
Raleigh, NC

### May 12, 2010

Registered Housing Specialist Seminar and State Test  
Raleigh, NC

### May 18, 2010

Legislative Day/NCMHA Board of Directors Meeting  
Raleigh, NC

### June 16-17, 2010

NCMHA Annual Meeting  
Grandover Resort and Conference Center  
Greensboro, NC

## US Fire Administration Sponsors Nationwide Campaign to Raise Awareness about Smoke Alarms

Every year, more than 3,000 people die in home fires in the United States; most of whom are in homes without a working smoke alarm. To prevent these deaths, the U.S. Fire Administration (USFA), a division of the Federal Emergency Management Agency (FEMA) is sponsoring a nationwide *Install. Inspect. Protect. Campaign* designed to raise awareness about how working, properly installed smoke alarms can lower a person's chances of dying in a fire.

The USFA's *Install. Inspect. Protect. Campaign* is aimed at encouraging Americans to practice fire safety by 1) installing and maintaining smoke alarms and residential fire sprinklers, which can help

save the lives of residents and fire fighters, 2) practicing fire escape plans, and 3) performing a home safety walk-through to remove fire hazards from the home.

You can help promote fire safety and reduce the number of fire deaths in your community with these helpful tips on smoke alarms and sprinklers from USFA:

- Place properly installed and maintained smoke alarms **both inside and outside** of sleeping areas and on every level of a home or residence.
- Every residence and place where people sleep should be equipped with both ionization **and** photoelectric smoke alarms **or** dual sensor smoke alarms, which con-

tain both ionization and photoelectric smoke sensors.

- Test smoke alarms monthly and change alkaline batteries at least once every year, or as instructed. Use a date you already know, like your birthday or when you change your clocks, as a reminder.

- If possible, install residential fire sprinklers in your home.

- Avoid painting or covering the fire sprinkler, because that will affect the sensitivity to heat.

For more information on the *Install. Inspect. Protect. Campaign* and other fire prevention information, please visit [www.usfa.dhs.gov/smokealarms](http://www.usfa.dhs.gov/smokealarms). Remember to *Install. Inspect. Protect... Smoke Alarms Save Lives*.

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## Lead-Based Paint Renovation and Repair Regulations *continued from page 6*

phlet Contractors: Lead Safety During Renovation.

Property owners who perform renovation, repairs, and painting jobs in rental property should also:

- Take training to learn how to perform lead-safe work practices.
- Learn the lead laws that apply to you regarding certification and lead-safe work practices beginning in April 2010.
- Keep records to demonstrate that you and your workers have been trained in lead-safe work practices and that you followed lead-safe work practices on the job. To make recordkeeping easier, you may use the sample recordkeeping checklist that EPA has developed to help contractors comply with the renovation recordkeeping requirements that will take effect in April 2010.
- Read about how to comply with EPA's rule in the EPA Small Entity Compliance Guide to Renovate Right (also available in Spanish).
- Read about how to use lead-safe work practices in EPA's Steps to Lead Safe Renovation, Repair and Painting.

# We Must Build and Strengthen Our MaHPAC Fund

In the past, members of the NCMHA have helped to raise thousands of dollars for our Political Action Committee. These generous members in the industry understand that maintaining a healthy political action committee is one-way to be assured that your interests and concerns are being addressed at the General Assembly.

We should all be thankful for those that contributed to the PAC last year because the money they donated helped to save you and the manufactured housing industry millions of dollars.

Because the stakes are higher this year, we are hoping that you will help us strengthen our PAC fund so that we will be able to save

you and your business even more money in the coming year.

This Legislative Session, new bills will be introduced that could threaten, or improve the manufactured housing profession. Here are just a few of the legislative issues that we will be up against in 2010:

- Implementation and Rule Making of the S.A.F. E. Act
- Tax Increases
- Appraisal Issues
- Mortgage Lending Laws and Regulation
- Local Impact Fees which would allow cities and counties to place a fee on all new residential construction including manufactured homes



To protect your industry we **NEED YOUR SUPPORT AND CONTRIBUTION**. Think of this as your insurance policy and in order to save you a lot in the end, we all need to make a small contribution up front; wouldn't you be willing to pay \$100 now if you could guarantee savings of several million dollars?

## Palm Harbor Homes, Inc. and Nationwide Homes Join ABC'S "Extreme Makeover: Home Edition"

Palm Harbor Homes, Inc. and its wholly-owned modular subsidiary, Nationwide Homes, Inc. ("Nationwide") joined ABC's *Extreme Makeover: Home Edition* for a build in late February. This is the first time the popular television program has featured a home built with modular construction during its intense one-week build time. The two companies built a beautiful, brand new handicapped-accessible home for one of their own: Jeremy Williams and his wife Jennifer and their 8-year old daughter Josie and their 6-year old son Jacob.

As long-time national builders of systems-built homes, Nationwide and Palm Harbor Homes were perfectly aligned to assist *Extreme Makeover: Home Edition* with this important, time-sensitive task. Building and delivering a high

quality home with extreme customization in one week is a routine part of the job for this homebuilder. Because these homes are built in environmentally-protected building centers with constant quality checks and then transported to the final home site, rain and other weather delays do not impact the build schedule. This inherently green construction method and the other green features built into the home are expected to give the home both an ENERGY STAR qualification and the National Association of Home Builders Green Certification. This means that this home will have lower utility costs when compared to a typical home built to accepted state and local building standards. Ron Powell, President of Manufacturing for Palm Harbor Homes, explained, "We love building homes

for families, and having this opportunity to make a huge difference in the life of a deserving family is a special assignment for us. We are proud and excited to be the first modular company to work with *Extreme Makeover: Home Edition* in their mission to improve the lives of families across our country. We are also grateful for the outpouring of generosity from our builders, sponsors, associates and many others who have already donated to this wonderful cause without even knowing the family."

We look forward to watching this episode of *Extreme Makeover: Home Edition* in late May or early June. The date is not yet set, but it will be posted on their website as soon as possible. For more information, visit <http://www.nationwide-homes.com/extreme>.

## Snapshot: NCIRG Meeting



## WANT ADS

Use "Want Ads" in the NORTH CAROLINA MANUFACTURED & MODULAR HOUSING NEWS to buy, sell, trade...hire new employees or even find a job. \$15 for the first 3 lines and then \$3 for each line after that. Contact NCMHA at 919.872.2740 to place yours today!

### Mobile Home Parks/Communities

Several available in major areas  
Call Robert Palmer Co. @  
(919) 848-9376

**El Dorado Mobile Home Park,**  
Lumberton, NC. 57 spaces, 40  
rentals (avg. age '92), \$13,400 mo.  
income \$1,275,000. Possible second.  
Call Ray Strickland (910) 371-2999.

**For Sale:** 2 NC Labeled Modular  
Office Units and 1 VA Labeled  
Office Unit for information call  
1.366.312.1165

# Licensing Requirements for Mortgage Activities

By: Charlie Fields, Director of Non-Depository Entities, NC Commissioner of Banks

In order to bring North Carolina's mortgage lending laws into compliance with the new federal minimum standards, the General Assembly of North Carolina enacted the North Carolina Secure and Fair Enforcement Mortgage Licensing Act ("NC SAFE Act"). As of July 31, 2009, a Mortgage Loan Originator license is required for any individual who:

1. Takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan,
2. Accepts or offers to accept applications for mortgage loans,
3. Solicits or offers to solicit a mortgage loan,
4. Negotiates the terms or conditions of a mortgage loan, or
5. Issues mortgage loan commitments or interest rate guarantee agreements to prospective borrowers.

The intent of the federal requirements is that anyone who works with a person to get a mortgage loan, including chattel mortgage secured exclusively by a residential manufactured home, must have a Mortgage Loan Originator license. Thus, manufactured housing dealers and their employees who wish to assist buyers in securing mortgage loans will need to be licensed. Salespeople and employers need to understand this rule because engaging in the mortgage business without a license can subject the individual and the company to significant fines, in addition to potential criminal penalties.

NC Commissioner of Banks Office ("NCCOB") and the NC-MHA worked together with members of the General Assembly in an attempt to accommodate the unique operation of the manu-

factured housing industry, while staying within the new federal requirements. The resulting statute specifically details certain activities that may be conducted by a retail salesperson working for a manufactured housing dealer that will not require a mortgage loan originator license, as follows: "...an individual who is a salesperson for a licensed manufactured housing retailer that performs the purely administrative and clerical tasks of physically handling or transmitting to a licensed Mortgage Loan Originator on behalf of a prospective borrower an application and other forms completed by the prospective borrower. Nothing in this subpart prohibits a salesperson, upon the written request of a Mortgage Loan Originator and after a prospective borrower completes an application, from pulling and transmitting a credit report with the application."

So what can salespersons do in relation to a mortgage loan without needing a mortgage loan originator license? The statute sets out a bright line rule. A salesperson can handle or transmit a completed application, filled out by the borrower (without the assistance of the salesperson), to a licensed mortgage loan originator. In addition, after an application is completed, a licensed mortgage loan originator can request in writing that the salesperson pull a credit report, as that is a processing function that, if supervised by the mortgage loan originator, does not require a license under North Carolina law.

What is a salesperson prohibited from doing, without a license?

1. An unlicensed salesperson cannot solicit, request, or require a borrower to complete a mortgage

loan application;

2. An unlicensed salesperson cannot fill out a mortgage loan application for a borrower;

3. An unlicensed salesperson cannot assist a borrower in the completion of a mortgage loan application;

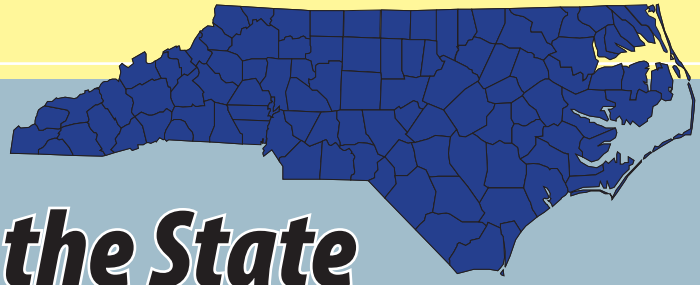
4. An unlicensed salesperson cannot advise a borrower about mortgage rates or terms that may be available by a lender or broker; and

5. An unlicensed salesperson cannot pull a buyer's credit report and give them advice about which lenders may approve the borrower.

We hope this article and the new law will eliminate confusion in the industry about what mortgage-related activities retail salespersons can perform without needing a mortgage loan originator license. NCCOB looks forward to working with NCMHA and the manufactured housing industry to ensure that the retailers and salespeople either obtain the necessary licenses to engage in the mortgage business or ensure they limit employee activities to the very narrow and specific tasks permitted by statute. If you have questions regarding the new statute and what activity is permitted, you can contact Charlie Fields, Jr. at 919.733.4680 or cfields@nccob.gov.

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*The Office of the Commissioner of Banks, together with the North Carolina Banking Commission, is responsible for the chartering and regulation of North Carolina's state banks and trust companies, as well as registration/licensing of various financial institutions operating in North Carolina, including Check-Cashers, Consumer Finance companies, Mortgage Bankers and Mortgage Brokers, Money Transmitters and Refund Anticipation Lenders*



## Zoning Issues Across the State

- **Town of Four Oaks** - City Council members are updating their community zoning ordinances. The major concern for the Town is the appearance of existing communities and how to “clean” them up and if more stringent regulation needs to be adopted for future communities. The Council seems to want to find the right balance between the cities’ interest and the communities’ interest. Mayor Linwood Parker said, “We don’t want to regulate so that no one can improve.” No action has been taken at this point but Council members indicated that they would like to have a revised ordinance ready for adoption in early 2010.
- **Chatham County** - County Commissioners are reviewing their current impact fees of \$3,500. Commissioners held a public hearing on Monday September 21st. Kent and Ray Suits of Suits Homes in Siler City attended the meeting and spoke on behalf of factory built housing. Generally, most believe the Commissioners want to raise the fees (possibly double). The Suits raised the concern over affordable housing and how it would keep families of modest income from purchasing a home. Also, that any increase would continue to stymie an already depressed housing market and hurt the local economy. Commissioners have not taken any further action.
- **Buncombe County** - County Commissioners voted 4-1 to adopt countywide zoning. Commissioners had previously adopted countywide zoning about a year ago but had the ordinance overturned by the Courts. The first ordinance included a provision that would allow manufactured homes in all residential zoning districts. Under the recently adopted ordinance, manufactured homes are allowed but not in the R-1 and R-2 districts. During the public hearing, staff and members spoke to the commissioners about allowing manufactured homes in the R-1 and R-2 districts. Even though that provision was not added to the ordinance, Commissioners publicly noted that this is something they would like to add and asked that it be addressed and researched. Staff and members of the Western Manufactured Housing Chapter are working with the County and hope to have this amendment added within in the next 60 days.
- **Polk County** - County Commissioners approved a manufactured home overlay district on October 23rd. This newly created district will accommodate persons with hardship situations (such as financial or family member needs) to place manufactured homes in areas that are currently prohibited. The vote was 5-0.
- **Wayne County** - County Commissioners voted to require a full Board of Commissioners vote on all new manufactured home park plans. Essentially meaning the full Board of Commissioners will have the final say in whether or not a park is approved. The vote was unanimous but will not take effect until a final second vote is taken in mid-December.
- **Columbus County** - County Commissioners recently approved a new manufactured home park ordinance that calls for existing parks to meet certain requirements including erecting a park sign, street signs, providing a waste management plan, require the parks to register with the county, pay a \$35 fee, and other provisions. The county has sent notices to all park owners advising them of the changes. In addition to the new park ordinance, Commissioners are reviewing their subdivision ordinance and plan on making changes to the ordinance in the next several months. Staff will monitor and advise as necessary.
- **Atlantic Beach** - City Council members recently made several changes to the unified development ordinance. One amendment removed the 3-year renewal requirement for new parks.

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## HUD CODE November 2009

Through November 2009			Through November 2008		
	Shipments	Market Share	Percentage Change	Shipments	Market Share
New England	841	1.8	-30.0%	1,201	1.6
Middle Atlantic	2,317	5.0	-32.4%	3,426	4.4
East North Central	2,568	5.6	-38.8%	4,193	5.4
West North Central	2,128	4.6	-39.8%	3,532	4.6
South Atlantic	9,843	21.3	-40.9%	16,663	21.5
East South Central	7,690	16.6	-40.1%	12,840	16.6
West South Central	13,857	30.0	-37.8%	22,284	28.8
Mountain	3,312	7.2	-48.9%	6,483	8.4
Pacific	2,968	6.4	-46.0%	5,499	7.1

Through November 2009			Through November 2008			
	Shipments	Market Share	Percentage Change	Shipments	Market Share	Rank
1. Texas	6,708	14.5	-35.5%	10,399	13.4	1
2. Louisiana	4,426	9.6	-39.4%	7,307	9.4	2
3. North Carolina	2,361	5.1	-39.1%	3,880	5.0	5
4. Alabama	2,082	4.5	-37.3%	3,322	4.3	6
5. Florida	2,113	4.6	-48.2%	4,082	5.3	4
6. Mississippi	2,027	4.4	-52.4%	4,257	5.5	3
7. Kentucky	2,024	4.4	-27.1%	2,776	3.6	7
8. Tennessee	1,557	3.4	-37.3%	2,485	3.2	10
9. California	1,461	3.2	-46.0%	2,708	3.5	8
10. Oklahoma	1,457	3.2	-45.9%	2,693	3.5	9
	<b>26,216</b>	<b>56.7</b>	<b>-40.3%</b>	<b>43,909</b>	<b>56.7</b>	

## North Carolina Product Mix November 2009

Shipments			Production		
Single-Section	Multi-Section	Total Shipments	Single-Section	Multi-Section	Total Shipments
68	130	198	63	176	239

North Carolina	2008	2009	% Change
Home Production	220	239	8.6%
Home Shipments	208	198	-4.8%

## MODULAR Semi-Annual 2009

Shipments of Modular Homes by State Ranked from Highest to Lowest 1st Semi-Annual 2009		
	Modular Shipments	% of Total
North Carolina	731	13.1%
Virginia	514	9.2%
New York	414	7.4%
Pennsylvania	389	6.9%
New Jersey	250	4.5%
Massachusetts	200	3.6%
Maryland	212	3.3%
Michigan	184	3.0%
Colorado	168	2.8%
Wisconsin	157	2.7%
Iowa	152	2.7%
South Carolina	149	2.6%
Maine	143	2.3%
Minnesota	131	2.3%
Florida	126	2.3%
Ohio	111	2.0%
Illinois	110	2.0%
Indiana	107	1.9%
Texas	100	1.8%
Nebraska	98	1.8%
Delaware	92	1.6%
Missouri	76	1.4%
West Virginia	75	1.3%
Connecticut	60	1.1%
Tennessee	52	0.9%
New Hampshire	49	0.9%
Vermont	40	0.7%
Georgia	36	0.6%
Rhode Island	22	0.4%

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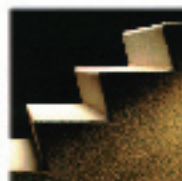
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