

# North Carolina

## MANUFACTURED AND MODULAR HOUSING NEWS

The official magazine of the NCMHA

VOL 34, NO 1



**State Fair Display House Changes People's Perceptions**

**NCMHA Annual Meeting and Legislative Day Coming to Raleigh in June**

**MaHPAC Retailer Challenge 2013: Independent vs. Multi-Lot**

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

**2012-2013 Officers**

Scott Harker, President  
Cliff DeSpain, First Vice President  
Keith Miller, Second Vice President  
Paige Janey, Treasurer  
Tony Prevatte, Secretary  
Vito Montaperto, Immediate Past President

**2012-2013 Representatives**

Dell Averette  
John Bowers  
Jerry Brewer  
Joe Earnhardt  
Luke Foster  
Tim Masters  
Bill McLucas  
Billy Owens  
Mike Smith  
Kent Suits  
Mark Tabert  
Tom Vail

**NCMHA Chapters**

**Capital Area:** Counties Served: Durham, Chatham, Harnett, Johnston, Lee, Nash, Person, Orange, Wake, Wilson

**Cape Fear:** Counties Served: Brunswick, Columbus, New Hanover, Pender

**Crystal Coast:** Counties Served: Carteret, Craven, Duplin, Jones, Onslow, Pamlico

**Eastern Carolina:** Counties Served: Bertie, Beaufort, Camden, Chowan, Currituck, Dare, Gates, Greene, Hertford, Hyde, Lenoir, Martin, Northhampton, Pasquotank, Perquimons, Pitt, Tyrell, Wayne

**Foothills:** Counties Served: Alexander, Burke, Caldwell, Catawba, Iredell, Lincoln

**Kerr Tar:** Counties Served: Granville, Franklin, Halifax, Vance, Warren

**Piedmont:** Counties Served: Alamance, Alleghany, Caswell, Davidson, Davie, Guilford, Forsythe, Randolph, Rockingham, Stokes, Surry, Wilkes, Yadkin

**Sandhills:** Counties Served: Moore, Hoke, Cumberland, Sampson, Scotland, Robeson, Bladen

**Southern Piedmont:** Counties Served: Anson, Cabarrus, Gaston, Mecklenburg, Montgomery, Richmond, Rowan, Stanly, Union

**Western:** Counties Served: Ashe, Avery, Buncombe, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Rutherford, Swain, Transylvania, Watauga, Yancey

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

# INSIDE THIS ISSUE

## Features

- 4 Raleigh Marriott City Center to Host NCMHA 2013 Annual Meeting and Legislative Day**
- 5 Snapshots: AENC Legislative Reception and Hill Visits**
- 6 MaHPAC Retailer Challenge 2013: Independent vs. Multi-Lot**
- 10 North Carolina State Fair Display House Changes People's Perceptions about Factory-Built Housing**

## Departments

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

Spring is a very exciting time at NCMHA, because this is when the finishing touches are put on the program for the NCMHA Annual Meeting. This year, it is more important than ever that you attend. Why you ask? Because this year, the Annual Meeting committee has voted to combine two of the association's largest events into one: the annual meeting and the annual legislative Day.

As you know, the annual meeting is one of the association's important meeting of the year. It is not only a time when we get away from the office, have the opportunity to play some golf at a premier golf course, socialize and network with our peers, it is also when we vote for our new association board members and when we recognize some of the outstanding work that our members have done for our industry and our association.

*Harker* And since the committee knows how busy you are trying to keep your business running, they have combined this event with the annual legislative day. For those your that don't know, the annual legislative day is an event that is held in the midst of the NC legislative session. It is time that allows members to socialize with their legislators and talk to them one-on-one about issues that are affecting our industry. When you read Brad Lovin's column on page 11 of this newsletter, you will see all of bills currently in the legislature that will directly and indirectly affect our industry. My hope is that each and every one of you reading this column will make the time to come out and show your support in Raleigh. Information on how to sign up is on the following page.

Lastly, I wanted to thank you all for a great year. This year came with a set of challenging issues, but I am happy to report that we have faced them head on and I am proud to say that our association is still here plugging along and fighting. I encourage all of you to continue to utilize this important resource and to share your commitment of being a member with those that aren't. This association is such a vital part of working in this industry and I am proud to be a part of it. Thank you all for the wonderful year and good luck to the Board as they move forward.

*Hey, hey what do you say !!*



*A special thanks to the Clayton, Cavalier, and Schullt Manufacturing plants of North Carolina for providing a refrigerator to the Association to replace the broken one!!*

## Welcome New Members

The following members have been approved by the Board of Directors since the last issue of The North Carolina Manufactured and Modular Housing News.

**AUTUMN OAKS, A DIVISION OF NODEL PARKS**  
Winston-Salem, NC

**CARTER COUNTRY HOMES, LLC**  
Fayetteville, NC

**COASTAL HOMES OF TOPSAIL ISLAND**  
Jacksonville, NC

**HOMESTEAD VILLAGE, A DIVISION OF NODEL PARKS**  
Raleigh, NC

**WPR**  
Carthage, NC

**YES! COMMUNITIES DBA AUTUMN FOREST**  
Browns Summit, NC

**YES! COMMUNITIES DBA DEERHURST**  
Wendell, NC

# Raleigh Marriott City Center to Host NCMHA 2013 Annual Meeting and Legislative Day

It's that time of year again to start making plans to attend the NCMHA Annual Meeting and Legislative Day! This year's event will be a combined event held from Tuesday, June 11<sup>th</sup> through Thursday, June 13<sup>th</sup> at the Marriott City Center in Raleigh, NC.

The committee has many exciting events scheduled including a welcome reception featuring the MaHPAC Silent Auction on Tuesday; a full day of association business meetings, elections and awards as well as visits to the NC Legislators and a reception on Wednesday; and on Thursday, the MaHPAC Golf Tournament at an Arnold Palmer designed golf course to finish the



*The Marriott City Center in downtown Raleigh will host this year's event.*

event. Special Event Sponsorships still available include: the Welcome Reception \$2,000, General Session

\$2,000, as well as the unlimited general sponsorships of Platinum \$1,000, Gold \$750, Silver \$500 and Golf Hole \$250.

The Marriott is offering a special rate to NCMHA members of \$129 king or two double beds. NCMHA has only retained a small block of rooms, therefore it is imperative that you make your reservation early.

Mark your calendars now to make plans to attend this important event! You won't want to miss this timeless tradition!

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).

## MANUFACTURED HOUSING FINANCE



Contact Manufactured Housing Finance at **866-300-8345**

### Fly high. Go far with U.S. Bank

There has never been a better time to look up and look ahead with us. With U.S. Bank you can get the financing you need to take your business to a higher level.

All of **us** serving you®



Not a consumer advertisement. Loan and mortgage products are offered through U.S. Bank National Association, NA.

[usbank.com](http://usbank.com)



## Snapshots: AENC Legislative Reception and Hill Visits



### Gay Westbrook Joins MHI as Vice President of Political and Public Affairs

MHI is pleased to announce that Gay Westbrook has joined MHI as Vice President of Political and Public Affairs. In this role, she will be responsible for developing, promoting and executing MHI's legislative and political priorities through increased industry participation in MHI-PAC, as well as strengthened coordination with state association executive directors to advance MHI's legislative, grassroots, and fundraising initiatives at the state level.

Westbrook's advocacy experience in grassroots development, strategic fundraising, and policy communications spans over two decades. Prior to joining MHI, Westbrook was Vice President of Government Relations at the Brick Industry Association (BIA) for

nearly four years. She managed and directed BIA's grassroots lobbying initiatives and political action committee, Brick PAC, increasing fundraising 88 percent in the 2010 election cycle. She also formulated and led Congressional advocacy programs for federal legislative and regulatory issues impacting the clay brick industry, serving as chief lobbyist on behalf of brick manufacturers, distributors and suppliers.

Westbrook worked in the U.S. Senate for more than seven years, managing two respective Senate Leadership offices chaired by former U.S. Senator Kay Bailey Hutchison of Texas. She served as Deputy Director of the Senate Republican Policy Committee for two years, developing and executing

policy programs to provide legislative analyses for Senators and their staff. For five years, she was Staff Director of the Senate Republican Conference Vice Chairman's office, directing efforts to build strategic support and communications to enact the Conference's legislative agenda.

In her role as Legislative Representative for the National Restaurant Association, she directed federal legislative activities on small business, trade, health care, and food safety issues for the association which then had a \$1 million political action committee.

Westbrook is a graduate of Baylor University's Hankamer School of Business, receiving a B.B.A. in business broadcasting and marketing.

## MaHPAC Retailer Challenge 2013: Independent vs. Multi-Lot

The game is on for the MaHPAC Retailer Challenge 2013!!!! The 2012 challenge saw the Independent Retailers narrowly defeat the Multi-lot Retailers, but everyone was a winner with MaHPAC receiving \$7,996 in contributions.

Following the elections, the coffers are bare and need to be replenished. The funds you contribute allow MaHPAC (Manufactured and Modular Homebuilders Political Action Committee) to support candidates who are concerned about housing issues and believe in fair and equal treatment for factory-built homes. Financial participation in the political and legislative process



allows our manufactured and modular housing voice to be heard. We have to raise more awareness about our issues and to do that WE MUST RAISE MORE PAC MONEY!

So step up to the challenge, experience the exhilaration of victory!!

Send your personal\*\* contribution now and be sure to mark whether you're an independent or multi-lot retailer. Check our website ([www.nc-mha.org](http://www.nc-mha.org)) regularly for the current standings.

Ready to take on this challenge but have questions, please contact Brad Lovin ([brad@nc-mha.org](mailto:brad@nc-mha.org)) at NCMHA (919-872-2740) today!

*\*\*PLEASE NOTE-Only personal contributions to MaHPAC may be accepted. It is against North Carolina state law for MaHPAC to receive corporate money. MaHPAC contributions must be made by personal check, credit card, cash or money order and are not tax deductible.*



**MaHPAC**  
**GOLF TOURNAMENT**

Lonnie Poole Golf Course  
NC State University, Raleigh, NC

Thursday, June 13, 2013  
10:00 a.m.

\$100 per person  
Registration deadline: May 27, 2013

Practice range will be open free of charge one hour prior to start time (No denim, t-shirts or metal spikes permitted)

*Sign up today!*  
Call NCMHA at 919.872.2740 or log onto [www.nc-mha.org](http://www.nc-mha.org)

## Commercial Lenders More Aggressive as Economy Heals

The economy is slowly improving and so are commercial real estate fundamentals, according to the general consensus at the Mortgage Bankers Association's recent Commercial Real Estate Finance/Multifamily Conference. Peter Gineris, senior vice president of debt and equity at CBRE/Capital Markets in Albuquerque, says the mortgage markets have more liquidity now than in 2007, different types of financing are available, and competition among lenders will pick up this year. Although credit spreads have narrowed over the last two quarters, he says they cannot move much lower, so borrowers will see any increases in Treasury yields passed on to them. The third quarter of 2012 saw a shift toward more aggressive lending, and an increase in payoffs and a decrease in problem loans mean lenders have room on their balance sheets for CRE loans. Non-recourse lending has returned in some markets, and some banks are granting loans with seven-year terms or longer. Gineris expects larger lenders to invest in "first tier" cities, with small and medium-size lenders beefing up activity in smaller markets.

# Over \$6,000 Raised During SMET Telethon

Trustees of the Scott Morton Educational Trust Fund (SMET) met on October 3, 2012 at the NCMHA to conduct a “telethon” for the SMET. Their efforts raised over \$6,000. “It was a fun day and a great way to raise money for such an important cause”, said Andy Miller President of Nationwide Homes and SMET Trustee.

The SMET was established in 1988 in the memory of former NCMHA Executive Director Patsy Morton Rumbley’s son, Scott. The trust awards scholarships based on need and merit to students nominated by members of NCMHA. Nominees must have a minimum 3.0 GPA and must list their achievements and financial need. Applicants can be graduating high school seniors; adults attending college, junior college or technical school; or students with special educational gifts or needs.

One hundred percent of donations to the Fund go directly to the scholarship and the scholarships are awarded annually to deserving students nominated by members of NCMHA. To date, the SMET Scholarship has awarded over \$75,000 to over 150 recipients.

“I received the Scott Morton



Scholarship for several years in a row. It helped me out with the growing expenses of college educations. I have since graduated from Methodist College with a BA in Science and Microbiology. I am now in the process of getting my Master’s degree at Duke University Medical School, PA program. Thank you to everyone that made this possible. Who would have guessed that a middle-class girl from Lumberton would become a Physician’s Assistant? Thank you for helping to make my dreams come true”, Samantha Byrd, scholarship recipient.

To learn more about the SMET or to make a donation, please contact Brad Lovin, NCMHA Executive Director at (919) 872-2740 or by email Brad@NC-MHA.org.

## 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 e-mail bobbi@nc-mha.org.

## Welcome New Members

The following members have been approved by the Board of Directors since the last issue of The North Carolina Manufactured and Modular Housing News.

**YES! COMMUNITIES DBA FOX HALL VILLAGE**  
Raleigh, NC

**YES! COMMUNITIES DBA GALLANT ESTATES**  
Greensboro, NC

**YES! COMMUNITIES DBA GREEN SPRING VALLEY**  
Raleigh, NC

**YES! COMMUNITIES DBA OAKWOOD FOREST**  
Greensboro, NC

**YES! COMMUNITIES DBA PLEASANT GROVE**  
Fuquay-Varina, NC

**YES! COMMUNITIES DBA STONEYBROOK NORTH**  
Raleigh, NC

**YES! COMMUNITIES DBA VILLAGE PARK**  
Greensboro, NC

**YES! COMMUNITIES DBA WOODLAKE**  
Greensboro, NC



# New North Carolina Construction Lien Law In Effect April 1

Effective April 1, 2013, North Carolina law will require that an owner (or, as typical with permit applications, the contractor on their behalf) appoint a lien agent when they first contract for improvements to real property. A lien agent is a title insurer or agent also registered as a lien agent with the NC Department of Insurance.

However, the appointment is not required for improvements:

- for which the costs of the undertaking are less than \$30,000, either at the time that the original building permit is issued or, in cases in which no building per-

mit is required, at the time the contract for the improvements is entered into with the owner,

- to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that is used by the owner as a residence; or
- for which first furnishing of labor or materials at the site is prior to April 1, 2013.

The identification and contact information for the lien agent must be in 3 places:

- “conspicuously set forth in the permit or in an attachment thereto”
- Maintained in the inspection

department “in the same manner and in the same location in which it maintains its record of building permits issued” and

- “conspicuously and continuously posted on the property for which the permit is issued until the completion of all construction”

A website created specifically and solely for purposes of facilitating the filings of appointments of lien agents, the filing of notices to lien agents by potential lien claimants, and searching for these filings became available April 1, 2013, at [www.liensnc.com](http://www.liensnc.com). So when the owner (or contractor on their behalf) appoints a lien agent through the LiensNC system, it will generate an Appointment of Lien Agent document or form for the property and project, which will include the following information :

- Designated Lien Agent and contact information (c/o LiensNC)
- Unique Entry or Identifying number for the Project
- Owner and contact information
- Contractor (if one)
- Instructions for the owner and/or contractor to post at the property and provide to the permitting office
- “QR Code” for easy access to the property information in the LiensNC system

The lien agent information form or document printed from the LiensNC website can be attached to the building permit application and building permit, for it will include the required information the permit office will need.

## Buy a Raffle Ticket to Have the Chance to Win!

2004 GEM E825  
(Global Electric MotorCars)



Ticket Price:  
\$ 10

(Personal Contributions Only)

Call NCMHA at 800-849-6311 or  
e-mail [dana@nc-mha.org](mailto:dana@nc-mha.org) for your raffle ticket!

One winning ticket will be drawn June 12th, 2013 at the NCMHA Annual Meeting.  
Free delivery of used vehicle within 100 mile radius of Raleigh area.



## Remember Your Renewals

Each spring the flowers bloom, the trees turn green, and the July 1 license renewal deadline for manufactured builders is upon us. Unfortunately, and perhaps just as inevitable as the change of seasons, some licensees wait until the last minute to renew their licenses. I've found that the overwhelming majority of the people involved in the manufactured housing industry are honest, conscientious, hard-working professionals who adhere to the North Carolina regulations regarding licensure. And, as such, this failure to renew is merely an oversight or the result of poor planning.



Goodwin

However, during the last two or three years, and largely due to the slow economy, some industry members have allowed their licenses to lapse while still continuing to operate as salespeople, dealers or set-up contractors. It is important to remember that it is unlawful for any manufactured home manufacturer, dealer, salesperson or set-up contractor to engage in business without having a valid license issued by the North Carolina Manufactured Housing Board. When you apply for a license, you agree to abide by the requirements and statutes that govern North Carolina's manufactured housing industry, including the requirement to renew your license by July 1 each year.

As a license-holder, it is very important that you're aware of the manufactured building statutes as described in Article 9A of Chapter 143 of the North Carolina General Statutes. All licensees should also have a copy of the 2004 State of North Carolina Regulations for Manufactured Homes, which is published by the N.C. Department of Insurance. You can either purchase the printed document or view it online at [www.ncdoi.gov/OSFM](http://www.ncdoi.gov/OSFM).

The following is a summary of the key responsibilities of manufactured housing licensees:

- Each year, licenses for manufactured housing manufacturers, dealers, set-up contractors, and salespersons must be renewed by July 1.
- To be eligible for a sales license, the NC Manufactured Housing Board requires sales representatives to pass a one-time standardized test. Should your license expire, and you have been previously tested and licensed, you can renew your license within twelve months of the expiration date. If the lapse is longer than one year, you must go through the entire application and examination process again. You cannot legally engage in business as a salesperson with an expired license.
- Your sales license is only valid as long as you remain employed with the dealer listed on your application. If you do change jobs, you may transfer your license from one dealership to another upon approval of the NC Manufactured Housing Board. It is important to note that

*continued on page 13*

## 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.

### May 1, 2013

Hampton Inn/Mooresville  
Mooresville, NC

### May 2, 2013

Doubletree Hotel  
Durham, NC

### May 30, 2013

Double Tree Biltmore  
Asheville, NC

### June 1, 2013

Doubletree Hotel  
Durham, NC

*Note: All dates on calendar are tentative.*

# North Carolina State Fair Display House Changes People's Perceptions about Factory-Built Housing

The manufactured home displayed by NCMHA at the 2012 North Carolina State Fair, in Raleigh, NC, once again, changed people's perceptions about factory-built housing.

Each year, the Regulatory Affairs Committee works on the project of placing a manufactured or modular house at the State Fair. Thousands of fairgoers have the chance to tour the home and find out more about the industry and its products. This project is the biggest public relations event that the association does during the year.

This year, the 1,056 sq. ft. manufactured home, produced by Clayton Homes, was placed in a prominent spot. A prominent spot near Gate 2, which made the home either a first or last stop for many fairgoers.



Preliminary numbers show that over 40,000 people toured the house and were given information about factory-built housing.

A special thanks to all of the companies that sponsored this project including: Clayton Homes for providing the home; Prime Supply for providing the FSI vinyl skirting; Stylecrest for providing the HVAC system and Snavely Forest Products for providing the deck flooring.



The committee would also like to thank all of the individuals who gave up time to "man" the house during the 11 day event. The project would not have been a success without their help!

Also, a list of consumers requesting information on Factory Built Housing is available to members. Contact Dana Fox at 919.872.2740.



**STAN TAYLOR** INSURANCE

---

**Manufactured Housing Specialist**

<p><b>Retailers</b></p> <ul style="list-style-type: none"> <li>• Inventory Insurance</li> <li>• General Liability</li> <li>• Autos</li> <li>• Builder's Risk</li> <li>• Umbrella</li> <li>• Worker's Compensation</li> <li>• Bonds</li> </ul>	<p><b>Modular Builders</b></p> <ul style="list-style-type: none"> <li>• Builder's Risk</li> <li>• General Liability</li> <li>• Modular Set-up Bonds</li> </ul>
<p><b>Community Owners</b></p> <ul style="list-style-type: none"> <li>• General Liability</li> <li>• Rentals</li> <li>• Worker's Compensation</li> </ul>	<p><b>Service/Set-Up Contractors</b></p> <ul style="list-style-type: none"> <li>• Liability</li> <li>• Torts</li> <li>• Property</li> <li>• Bonds</li> </ul>



Our 29th Year

Stan Taylor Insurance Agency, Inc.

Contact: Paul Clauson  
P.O. Box 19106 • Raleigh, NC 27619  
Phone: (919) 781-8800 • FAX: (919) 787-1866



MEMBER  
NORTH CAROLINA  
Manufactured  
Housing Institute

Things are beginning to move at the legislative building. As such, many of the committees and daily sessions are carrying on late into the evenings. Currently there are several bills that will indirectly affect our industry such as: unemployment insurance, labor laws, minimum



Lovin

hourly wages, and etc. The following is a quick update on those bills that directly affect our industry:

**HB 625 - Zoning/Temporary Health Care Structure**-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.

Several retailers and manufacturers currently build/sell these structures. It would allow a consumer, by right, to place these homes without having to go through a re-zoning process. This bill was filed this week and was sent to the House Local Government Committee.

**HB 150- Zoning/Design and Aesthetic Controls**-Would prohibit cities and counties from zoning/regulating design and aesthetic standards for homes built to the state building code. Originally, the bill excluded modular homes. We were able to get the bill amended on the House floor to include modular homes. The bill passed the House and is currently in the Senate Rules Committee.

**HB 769- Zoning/Limit Manufactured Home Restrictions**-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. The bill was filed this week and was sent to the House Local Government Committee.

**HB 410- Cancel Title to Manufactured Home**-Currently being pushed by the title insurance companies and would allow the DMV to cancel a title when the person requesting the cancellation does not have the certificate of title. The bill passed one House committee this week and has been sent to the House Judiciary Committee for further discussion.

**SB 394- Lower Tax Rate for a Stronger NC Economy**-It would treat manufactured and modular homes as if they were real property. Our current sales tax rates would be eliminated, including the 2.5% rate on sales of modular homes and the 2% rate with \$300 per section cap on manufactured homes. Under this proposal, the manufacturer would pay sales tax at the regular sales tax rate (6.25% under this bill) on the materials used to build the home. There would be no sales tax collected by the retailer on the sale of the home to the customer. For clarification, a manufacturer would pay the sales tax when they purchase materials. Example: A manufacturer buys vinyl siding from vinyl siding supplier. The supplier includes the sales tax on the invoice. Under this proposal, the manufacturer or retailer will no longer be required to remit sales tax to the state for the sale of a home.

## 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!

### May 15, 2013

Registered Housing Specialist Seminar and State Test  
Raleigh, NC

### June 11-13, 2013

NCMHA Annual Meeting & Legislative Day  
Raleigh Marriott City Center  
Raleigh, NC



# US House Fights to Preserve Access to Affordable, Unsubsidized Housing for Millions of Americans

In an effort to protect more than 22 million Americans living in manufactured homes, Congressmen Stephen Fincher (R-TN), Bennie Thompson (D-MS), and Gary Miller (R-CA) recently introduced the bipartisan Preserving Access to Manufactured Housing Act to protect the availability of financing for affordable manufactured housing, a critical resource for low and moderate-income families across the country. Specifically, the bill would amend the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) to change the criteria by which home loans are classified “high-cost” while keeping in place strong consumer protections.

Earlier this year, the Consumer Financial Protection Bureau (CFPB) decided, through a rulemaking process required under Dodd-Frank, that all purchase loans - including mortgages on manufactured homes considered personal property - will be covered by the Home Ownership and Equity Protection Act (HOEPA). Under these guidelines, effective in January 2014, a large

percentage of small-balance loans used for the purchase of affordable manufactured housing would be unfairly classified as predatory and high-cost. Due to the increased lender liabilities associated with making and obtaining a HOEPA high-cost mortgage, it is unlikely that these loans would be offered to homebuyers, denying access to necessary credit for new and existing manufactured homes.



Eliminating this important source of financing would unfairly penalize low and moderate-income homebuyers who do not qualify for traditional mortgage financing needed for single family home ownership; do not have access to limited government-insured and GSE secondary market programs; or live in rural areas where affordable rental housing is scarce or non-existent.

Additionally, millions of families could see the equity they have diligently built up in their manufactured homes wiped out because lenders would be unwilling to provide the financing needed for resale.

While the cost of originating and servicing a \$250,000 loan and a \$25,000 loan are the same in terms of real dollars, the cost as a percentage of each loan’s size is significantly different. This difference causes the smaller-sized manufactured home loan to potentially exceed the new thresholds and be categorized as high-cost and often deemed as predatory, even though there is nothing predatory about the features of the loan. Of all the manufactured home loans originated in 2010 and 2011, at least 20 percent would have exceeded one or both of the high-cost mortgage thresholds, with the possibility that number could reach 50 percent.

The Preserving Access to Manufactured Housing Act would amend the thresholds by which designated small balance manufactured homes are classified as high-cost under HOEPA while maintaining the consumer protections from predatory lending practices in Dodd-Frank.

*continued on page 14*



# NC Commissioner of Banks Inquiry on Use of Credit Reports for Non-Mortgage Lending Activity

NCMHA retail members asked us to seek clarification from the NC Commissioner of Banks on the use of credit reports for non-mortgage lending activity. The concern stemmed from the lack of guidance under current North Carolina law as to the rights of manufactured or modular home retailers to obtain credit reports for non-credit use from customers who are seeking to purchase homes. In our request, we noted there are non-credit reasons that relate to the sale of a home for which a Retailer could use a customer's credit report to more effectively deliver the appropriate products and services. For example:

- Determining the details of the customer's sales transaction – home only vs. land home vs. no sale
- Determining right home and sales package for the customer – size, price range, amenities, etc.
- Evaluating Retailer risks associated with pre-ordering a customized

home

- Evaluating whether to advance significant construction costs in connection with a sale.

Specifically we asked, "As such, we seek guidance from the OCOB confirming that a Retailer (and its employees) can pull a customer's credit report, without requiring licensing under the NC-SAFE Act, so long as the customer provides written permission/instructions for doing so in accordance with the Fair Credit Reporting Act, and the Retailer's use of the credit report is limited to sales-related, non-credit purposes (similar to those set forth above)."

We are pleased to report that the Commissioner responded to our request with the following:

*"The primary purpose of the North Carolina SAFE Act is 'to protect consumers seeking mortgage loans and to ensure that the mortgage lending industry operates without unfair, deceptive, and fraudulent practices on the part of mort-*

*gage loan originators'.*

*To the extent that the activity described is separate and distinct from mortgage lending activity, the use of credit reports by retailers for non-credit purposes is not contemplated by this Act. On this basis we conclude that this activity is outside the scope of the North Carolina SAFE Act and therefore would not trigger licensure requirements.*

*Additional activities outside of those described may alter the analysis and with it the conclusions reached herein."*

We hope this will help clarify the use of credit reports for non-credit related issues. Keep in mind that, when mortgage lending is involved, the SAFE Act provides that a retailer may pull and transmit a credit report only upon request of a loan originator and after a prospective borrower completes an application. If you would like more information or a copy of the NCCOB letter, please call Brad Lovin at the NCMHA office or email him at [Brad@NC-MHA.org](mailto:Brad@NC-MHA.org).

## NC Insurance Commissioner Column continued from page 9

all dealers must report to the NC Manufactured Housing Board within 10 days if a salesperson leaves their employment.

- If any changes occur that directly relate to the license issued, you must advise the Manufactured Building Division immediately. If a dealership closes, you must notify the Manufactured Building Division and the Division of Motor Vehicles.
- Salespersons and set-up contractors should make sure that their continuing education is current as this can cause a denial of your license and prevent you from working until the CE obligations have been fulfilled in a satisfactory manner.
- Any complaints that the Department of Insurance receives from a manufactured housing consumer will be forwarded to all appropriate parties. Both federal and state regulations require the manufacturer or dealer to investigate all complaints. Under the state warranty requirements, repairs must be made to homes within 45 days from

receipt of notification of any problems. Do not wait for a Department of Insurance investigation of the complaint to determine whether or not you're responsible for repairs. In fact, if you fail to make repairs within 45 days, your license may be in jeopardy. Once action is taken regarding a consumer complaint, notify the Manufactured Building Division in writing.

Again, I would like to thank those of you who faithfully adhere to the regulations and aid our staff in the timely processing of their renewals by sending in the applications as early as possible so as not to slip into a violation of the statutes. I am sure that we all are looking forward to a more prosperous 2013 and beyond and getting off on the right foot by getting your renewals in on time will allow you to continue without interruption. If you have any questions about your responsibilities as manufactured housing licenseholder, please contact our Manufactured Building Division at 919-661-5880.

# Zoning Issues Across the State

### Town of Marion

NCMHA staff has been working with members and realtors in the Town of Marion to amend its zoning ordinance. Several months ago, the town council adopted several new provisions for manufactured homes in their zoning ordinance. Some of the new provisions were: age limits, placement, lot size, and various appearance issues. After the amendments were in place, an outcry of citizens protested that the new ordinance hurts affordable housing and the provisions should be repealed. Staff provided information from court cases and drafted memos to the town planner. At their last meeting, the town council voted to repeal the ordinance and form a working group of industry members, citizens and town staff to create some reasonable regulations. Most recently, staff has provided information and our best zoning practices as a guide.

### Town Newton Grove

NCMHA was notified by a local retailer of an issue with the town's zoning ordinance that dealt with modular homes. The issue was discovered after a home was purchased and the applications for permits were submitted. According to the town, a modular home was to be treated like a manufactured home and only allowed in the areas where manufactured homes were zoned. Staff began working

with the Town to educate them on the difference, notify them that the ordinance was not legal, and also change their ordinance. Staff provided information from the NC Department of Insurance and asked Frank Gray (NCMHA legal counsel) to write a letter. After several weeks of town meetings and discussions, the town amended its ordinances to treat modular homes just they do stick built homes. The town also noted that the customer's permits should be issued immediately.

### Wayne County

Staff participated in a meeting with approximately 30 park owners in Wayne County. The group called the "Wayne County Mobile Home Park Owners Association" was formed to tackle several zoning issue in the county. In particular, the group is pushing for the county to change its 15 year rule for manufactured home. The ordinance specifically does not allow any manufactured home to be placed in the county if it is 15 years or older. During the meeting, we discussed strategy, options and an action plan. The group sent a letter to the Chairman of the Board requesting that this issue be placed on the next Commissioners' agenda. We have gotten word back that the Commissioners will place the issue on the agenda and NCMHA staff will be making a presentation.

## US House Fights

*continued from page 12*

The bipartisan legislation would also clarify that manufactured home retailers and salespersons would not be considered loan originators unless they receive compensation from a lender, mortgage broker or loan originator. The new CFPB definition of a loan originator, also effective in January 2014, is based on traditional mortgage market roles that do not equate with the business model of the manufactured housing industry, including lending and retail sales practices. Without this clarification, it becomes more likely that lenders would be unwilling to finance manufactured home loans, negatively affecting creditworthy low-to-moderate income borrowers that rely both on affordable manufactured housing and the ability to access financing.

## WANT ADS

Use "Want Ads" in the NORTH CAROLINA MANUFACTURED 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

## HUD CODE February 2013

	Through February 2013		Through February 2012		Percentage Change
	Shipments	Market Share	Shipments	Market Share	
New England	65	0.8%	101	1.2%	-35.6%
Middle Atlantic	314	3.8%	280	3.5%	12.1%
East North Central	709	8.5%	487	6.0%	45.6%
West North Central	463	5.6%	494	6.1%	-6.3%
South Atlantic	1,736	20.9%	1,656	20.5%	4.8%
East South Central	1,220	14.7%	1,320	16.3%	-7.6%
West South Central	2,738	33.0%	2,722	33.7%	0.6%
Mountain	511	6.2%	605	7.5%	-15.5%
Pacific	481	5.8%	343	4.2%	40.2%

	Through February 2013		Through February 2012			Percentage Change
	Shipments	Market Share	Shipments	Market Share	Rank	
1. Texas	1,712	20.6%	1,665	20.6%	1	2.8%
2. Louisiana	614	7.4%	588	7.3%	2	4.4%
3. Florida	483	5.8%	404	5.0%	5	19.6%
4. North Carolina	398	4.8%	431	5.3%	4	-7.7%
5. Alabama	375	4.5%	511	6.3%	4	-26.6%
6. Mississippi	338	4.1%	314	3.9%	6	7.6%
7. California	324	3.9%	228	2.8%	10	42.1%
8. South Carolina	318	3.8%	256	3.2%	9	24.2%
9. Kentucky	271	3.3%	269	3.3%	8	0.7%
10. Indiana	256	3.1%	103	1.3%	23	148.5%
	<b>5,089</b>	<b>61.3%</b>	<b>4,769</b>	<b>59.0%</b>		<b>6.7%</b>

## North Carolina Product Mix February 2013

Shipments			Production		
Single-Section	Multi-Section	Total Shipments	Single-Section	Multi-Section	Total Shipments
98	118	216	91	120	211

North Carolina	2012	2013	% Change
Home Production	207	211	1.9%
Home Shipments	208	216	3.8%

## MODULAR 4rd Quarter 2012

Shipments of Modular Homes by State Ranked from Highest to Lowest 4th Quarter 2012		
	Modular Shipments	% of Total
New York	367	11.4%
North Carolina	303	9.5%
Pennsylvania	280	8.7%
North Dakota	269	8.4%
Virginia	184	5.7%
Massachusetts	100	3.1%
Michigan	95	3.0%
Maryland	90	2.8%
Iowa	90	2.8%
Florida	81	2.5%
Wisconsin	80	2.5%
Texas	76	2.4%
Indiana	74	2.3%
South Carolina	70	2.2%
Minnesota	68	2.1%
Colorado	63	2.0%
New Jersey	62	1.9%
Connecticut	55	1.7%
Ohio	54	1.7%
Louisiana	49	1.5%
Illinois	47	1.5%
Montana	46	1.4%
Missouri	46	1.4%
Maine	43	1.3%
Nebraska	43	1.3%
New Hampshire	35	1.1%
Tennessee	34	1.1%
South Dakota	30	0.9%
West Virginia	25	0.8%
Delaware	20	0.6%
Georgia	17	0.5%
Vermont	11	0.3%
Rhode Island	9	0.3%
Alabama	9	0.3%

**INCLUDE THE NC  
MANUFACTURED AND MODULAR  
HOUSING NEWS IN YOUR 2013  
BUDGET!**

*Are you interested in targeting industry members with your advertising? Then you need to advertise in this newsmagazine! Reserve your ad space today! Call 919.872.2740 or e-mail [info@nc-mha.org](mailto:info@nc-mha.org) for a current rate list.*

## NCMHA

PO Box 58648  
Raleigh, NC 27658-8648  
919.872.2740  
919.872.4826 fax  
www.nc-mha.org

PRESORTED  
STANDARD  
US POSTAGE  
**PAID**  
RALEIGH, NC  
PERMIT #2483

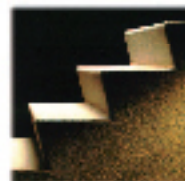
## Quality Products for the North Carolina Manufactured Housing Industry

Vinyl Siding • Heat Pumps  
Ductwork • Electrical • Furnace  
Sump Pumps • Skirting • Skirting  
Accessories • Entry Systems • Toilet  
Pumps • Lighting • Electrical  
Accessories • Windows • Skirting  
Accessories • Doors • Floor Register  
Accessories • Adhesive • Lock Set  
Accessories • Vinyl Siding • Heat  
Pumps • Anchor Systems  
Accessories • Furnaces • Window  
Accessories • Skirting • Appliances • Entry  
Systems • Fireplaces • Heat Pumps  
Accessories • Lighting • Air Conditioners  
Accessories • Windows • Skirting • Appliances  
Accessories • Floor Registers • Sump Pumps  
Accessories • Adhesive • Lighting • Lock Set  
Accessories • Heat Pumps • Plumbing  
Accessories • Electrical • Furnaces  
Accessories • Skirting •



# STYLECREST®

Manufactured Home Supply



4214 Highway 70 East • Goldsboro, NC  
**919.778.7798**

5355 Reedy Branch Road • Winterville, NC  
**252.756.9435**

577 Freedom Way (HWY 24) • Midway Park, NC  
**910.353.2180**

3545 Gillespie Street • Fayetteville, NC  
**919.778.7798**

People. Products. Performance. [www.stylecrestproducts.com](http://www.stylecrestproducts.com)