

North Carolina

MANUFACTURED HOUSING NEWS

The official magazine of the NCMHA

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State Fair Display House Changes People's Perceptions

Energy Star Credit Extended

Modular Home Transport Carriers Subject to Property Tax

The official magazine of NCMHA

The North Carolina Manufactured 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 office at 919.872.2740.

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The issue of abandoned homes has been at the forefront of our association for a number of years. Not only has this issue been a major public relations problem for the industry, but also there are a number of local governments that have written unfair zoning laws because of negative perceptions and outdated opinions that all manufactured homes will become abandoned.



Holmes

A few years ago, we as an association, were able to stop a potentially detrimental advance disposal tax. Our association objected to this buyers' tax, which would have funded the removal of what most people feared; the possibility that the home that was being bought today would become one of the future abandoned homes littering the landscape. This tax would have added an extra \$1,000 to the price of a new single-wide and used mobile homes would have been taxed at a flat rate of \$500 per section. There was also a Senate version of this bill which called for a lower tax of \$300 per section for new and used homes.

Instead of the advanced disposal tax, a state grant program, funded through the Solid Waste Trust fund, was added to the bill. This program will help pay up to \$1 million per year to local governments to help with the clean up of abandoned homes. This program is a far cry from where they were originally going to tax us and ultimately the consumer for purchasing our homes. It is just further proof that good grassroots efforts by our members can and does work.

However, our work is still not done. I encourage all members to get involved; talk to your legislators, work with your local council and commission members to make sure that they know that there is money out there for them. This program is a great opportunity that we should not allow to pass us by! Make them aware that you and the association will help by utilizing its resources to help them apply for these grants and help them to see our industry in a completely different light. Let's use this opportunity to help clean up these abandoned homes and eliminate some of the negative stigma that abandoned homes give our industry.

Encourage all members to get involved; talk to your legislators, work with your council members. We have a great opportunity that we should not allow to pass us by!

Association Directories are Here!

The 2011 NCMHA directories are here. Have you received yours? If you haven't please contact the association office for more information, 919.872.2740.

Welcome New Members

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

TAG LENDING
Logan, UT

WESTWOOD HOME
SALES, LLC
Greenville, NC

Become a lifetime member of the RV/MH Hall of Honor Worldwide

Imagine your pride when you pass your personalized membership card through the electronic reader at the Hall of Honor kiosk. Your name will be displayed on a theatre size screen for all to see. You will be remembered forever in our Hall of Honor. If this is a gift, your name as well as the recipients name is displayed. Your RV/MH Hall of Honor membership card gains you free admission to exhibits and all areas of the RV/MH Hall of Fame, Museum and Library. With each membership you receive a membership card, lapel pin & decal. Visit rvmhhalloffame.org for more info.

Energy Star Tax Credit for Manufactured Housing Has Been Extended

After a year of debate and delay, Congress approved and the President signed the extension of the \$1,000 per home tax credit for manufactured homes that receive the ENERGY STAR label. The builder of the home (the manufacturer) receives the credit. ENERGY STAR labeled homes sold in 2010 and 2011 qualify for the credit.

The tax credit was part of the large and controversial Bill that also extended the Bush income tax cuts and unemployment benefits.

Manufacturers that continued to build ENERGY STAR homes throughout the year, although

uncertain whether or not the tax credit would be retroactive to cover homes built in 2010, were rewarded by the passage of the credit coming at the very end of the legislative session. The tax extension language is supported by law makers across the political spectrum but passage



was delayed as Congress became embroiled in a host of controversial issues.

MHI and other staunch advocates for the tax credits were relentless in their support for extending the credits.

Also of note, the current ENERGY STAR requirements for Manufactured Homes will remain in effect through 2011. New requirements will be developed next year for implementation in 2012. ENERGY STAR requirements for modular homes will be revised in the middle of next year. We will keep you abreast of these developments.

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NCMHA Looks to Hold Annual Meeting at Grandover in 2011

The NCMHA Board of Directors has approved the location of the 2011 NCMHA Annual Meeting. It will be held at the Grandover Resort and Conference Center located in Greensboro, NC.



The annual member event will be held Wednesday, June 8 beginning with a golf tournament and reception and end on Thursday, June 9 with a business meeting.

Stay tuned to future issues of the NC Manufactured Housing News for more information on this event. Mark your calendars now to make plans to attend! You won't want to miss it!

FTC to Enforce Red Flags Rule

After several delays, the Federal Trade Commission (FTC) began enforcement of the Red Flags Rule on December 31, 2010. The FTC issued regulations (the Red Flags Rule) on November 9, 2007 requiring financial institutions and creditors to develop and implement written identity theft prevention programs as part of the Fair and Accurate Credit Transactions (FACT) Act of 2003.

In addition, the rule implements Section 315 of the FACT Act which applies to users of credit reports. This section specifically includes “landlords” or land-lease communities and requires users of consumer reports from credit bureaus to develop reasonable policies and procedures to determine the identity

of an applicant when a “notice of address discrepancy” from a consumer reporting agency is received.

Compliance with Section 315 of the FACT Act – Address Discrepancy

Communities using consumer credit reports must comply with Section 315 of the FACT Act. Section 315 requires users of consumer reports to develop reasonable policies and procedures that must be applied when they receive a notice of address discrepancy from a consumer reporting agency. There is no requirement that the policies and procedures on address discrepancies be in writing. However, a written policy could assist in ensuring policies are being followed by all employees.

After receiving notification from a consumer reporting agency of an address discrepancy, and upon reasonably confirming the accurate address for the consumer, the community must furnish this information to the consumer reporting agency if: 1) the relationship with the consumer is a new one; and 2) the community regularly furnishes information to the consumer reporting agency.

Compliance with Section 114 of the FACT Act – Red Flags Rule

The Red Flags Rule applies to entities that are financial institutions, creditors, or have transaction accounts or covered accounts under the Act. The rule requires financial institutions and creditors to establish

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Dodd/Frank Wall Street Reform and Consumer Protection Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act was enacted into law on July 21, 2010. The law is considered the most significant rewrite of rules governing banking and financial services in decades and will impact every financial institution and credit instrument in the nation.

At its Annual Meeting in September, MHI appointed a task force charged with identifying areas of the law problematic for the industry. In mid November, 20 members of the taskforce convened in Texas to identify and prioritize provisions in the Dodd-Frank Act that if unchanged, will significantly burden manufactured home purchasers by adding to the cost of acquiring a loan or restrict access to availability of financing. The taskforce identified several regulatory and legislative remedies MHI must undertake to amend these provisions.

MHI will be introducing legislation with the new 112th Congress to address the industry’s needs. At stake is the health and viability of the industry. Your involvement starts by reaching out to your members of Congress. You have an interest, you have a voice and you must play a role.



Chart your course at the only national show for the manufactured and modular housing industries! The 2011 National Congress and Expo will be held at Caesars Palace in Las Vegas, April 26-28.

The 2011 Congress and Expo will provide the information and tools that you will need to successfully navigate the uncertainty ahead to reach your destination safely.

The 2011 Congress and Expo embarks on its third decade of providing the absolute best in industry programming and networking opportunities for the largest gathering of industry leaders.

www.congressandexpo.com/2011

It's Time to 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.

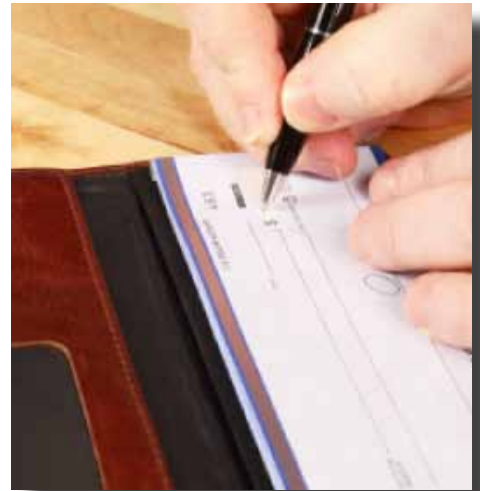
Because the stakes are higher this year, we are hoping that you will help us strengthen our PAC fund so that we will be able to save you and

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 2011:

- Energy Tax Credit
- Tax Increases
- Appraisal Issues
- Mortgage Lending Laws and Regulation

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?

Please contact NCMHA at 919.872.2740 today to give to this important fund.

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- Bonds

Modular Builders

- Builder's Risk
- General Liability
- Modular Set-up Bonds

Service/Set-Up Contractors

- Liability
- Toters
- Property
- Bonds

Community Owners

- General Liability
- Rentals
- Worker's Compensation

Our 34th Year!

NCMHA

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NCMHA Board of Directors Actions

9/24/10

o A motion was made and seconded to accept the 2010/2011 budget as presented, motion carried unanimously.

o A motion was made and seconded to sign a contract with the Grandover Resort for the 2011 Annual Meeting for the dates of June 8th and 9th, 2011 at a rate of \$145, guaranteeing 30 rooms, motion carried unanimously.

12/9/10

o A motion was made and seconded to have staff look at the 16' wide transportation issue in the Western portion of North Carolina, motion carried unanimously.

o A motion was made and seconded to repair the roof at the Association office, motion carried unanimously.

NC Energy Office Launches Program to Help Buyers of Manufactured Homes Save on Home Purchases and Utility Bills

The North Carolina State Energy Office is joining with the makers and sellers of manufactured homes and the support of utility companies help the state's consumers cut utility bills and get



money back for buying energy efficient homes with the new North Carolina ENERGY STAR Plus Initiative.

Buyers of manufactured homes will receive a \$500 rebate when they purchase an ENERGY STAR-rated home. In addition to the cash back, homeowners will save about \$74 per month - or \$888 a year - on utility bills compared with a home of the same size

that is not ENERGY STAR rated. In many cases, electric service providers are offering additional savings incentives when selecting energy-efficient homes.

NC ENERGY STAR Plus provides an incentive for homeowners to purchase a home that may have a slightly higher monthly mortgage, but ultimately saves the customer money through energy efficiency and lower monthly utility bills. The rebate also more than covers any increase in added down payment for the ENERGY STAR home. Homebuyers begin saving money as soon as they move into their new home.

For example, a family purchasing a new ENERGY STAR-rated manufactured home in Raleigh that is 1,570 sq. ft. is estimated to save

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NC Building Council Votes for More Energy Efficiency

The North Carolina Building Code Council recently met to decide to order the increase in home energy efficiency by 15% within two years and to consider changes to building standards that could cut building costs by 15 percent. Commercial buildings would be required to meet a 30 percent improvement in energy efficiency.

Some of the changes and new standards call for more energy-efficient windows and insulation, for example.

As a "compromise" to the extra cost for more energy efficiency, the proposals include easing requirements on smoke and carbon monoxide alarms, omitting sprinkler systems from townhouse projects and changing rules on home foundations. Some council members didn't like that idea at all and said it would risk safety.

NCMHA has been working with the NC Homebuilders Association and other interested groups and will continue to work with them as these provisions are fleshed out and take effect.

When the General Assembly convenes in January, there is the possibility that the legislature will intervene.

Snapshot: N.C. Energy Star Plus Initiative Announcement

On Tuesday November 16, the North Carolina Energy Office, along with the NCMHA, Progress Energy and GreenCo (the energy efficiency and renewable resources initiative of the N.C. Electric Cooperatives) announced a new initiative to help consumers purchase energy-efficient manufactured housing. This initiative includes rebates on the purchase of ENERGY STAR rated homes that also will save on utility bills along with other money-saving incentives offered by utilities.

The event was hosted by Greenfield Housing Center in Garner, NC.



Modular Home Transport Carriers Subject to Property Tax

By Frank Gray, NCMHA Legal Counsel

It has come to the attention of NCMHA that two counties in the state (Gaston and Scotland) have taken the position that modular home transport carriers are subject to local property tax.

Background

It is a well established statutory law that a manufacturer's inventory is exempt from local property tax. "Inventory" is defined as "goods held for sale in the regular course of business." In the two cases that have come to our attention (Gaston and Scotland counties), the county tax department has taken the position that modular home carriers are

not items of inventory and are not exempt from property tax because:

- 95% of the carriers return to the manufacturer for reuse. They are not "sold in the regular course of business."
- The manufacturer is not in the business of manufacturing and selling transport carriers. It is in the business of manufacturing and selling modular homes.
- Previous rulings of the N.C. Property Tax Commission establish that the fundamental attribute of a merchant's inventories is that such

items are purchased and held by the merchant, not for his own use, but for immediate resale for a profit. Here the use of the carriers to repeatedly transport modular homes to a permanent site defeats the "inventory" definition.

It should be noted that this ruling would not apply to "on-frame" modular homes, where the frame is a part of and sold with the home.

Listing and Appraisal Process

Like all businesses, manufacturers are required to list all business property they own as of January 1. The listing report is due by January 31 each year. The value to be assigned to a transport carrier is part of the appraisal process by the county. The N.C. Department of Revenue has indicated that the cost approach is not necessary, but the county could simply appraise all carriers at the same value, regardless of age or usage. We suggest you make your finance officer or accounting department aware of these rulings, investigate how your county treats these items, and consider listing the transport carriers you own as personal property subject to taxation when completing your listing report in January 2011.

Please contact Brad Lovin at the NCMHA office 919.872.2740 or by email Brad@nc-mha.org if you need more information.

The Scott Morton Educational Trust Fund Needs You to Give!

We all know how tough the economy is, but it is in these times that it is even more important to give!

Established in 1988 in memory of former NCMHA Executive Director, Patsy Rumbley's son, Scott, who died tragically in a motorcycle accident, the Scott Morton Educational Trust Fund provides much needed scholarships to deserving children of those involved in the industry. The fund provides scholarships based on a combination of need and merit to graduating high school seniors or adults attending college, junior college or technical school or to students with special educational gifts or needs.

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.

Responsibilities of a Manufactured Building

I have found that the overwhelming majority of the people involved in the manufactured housing industry are honest, conscientious, hard-working professionals that adhere to the North Carolina



Goodwin

regulations regarding licensure. However, recently due to the slow economy, some have allowed their licenses to lapse, but have continued to operate as salespersons, dealers or set-up contractors.

I want to remind everyone that it is unlawful for any manufactured home manufacturer, dealer, salesperson or set-up contractor to engage in business without obtaining a license from the North Carolina Manufactured

Housing Board. When you apply for a license, you agree to abide by the requirements and statutes which govern North Carolina's manufactured housing industry.

As a license-holder, it is very important that you are aware of the manufactured building statutes which are described in Article 9A of Chapter 143 of the North Carolina General Statutes. All licensees should also have a copy of the State of North Carolina Regulation for Manufactured Homes, which is published by the Department of Insurance.

The following are a few 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.
- In order to be eligible for a sales license, the N.C. 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 12 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 N.C. Manufactured Housing Board. It is important to note that all dealers must report to the N.C. Manufactured Housing Board within 10 days if a salesperson leaves their employment.
- If any changes occur which directly relate to the license issued, you must advise my staff in the Manufactured Building Division immediately. If a dealership closes, you must notify the Manufactured Building Division and the Division of Motor Vehicles.

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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.

February 5, 2011

Hilton/RTP
Durham, NC

February 7, 2011

DoubleTree Biltmore
Asheville, NC

February 9, 2011

Hampton Inn/Mooresville
Mooresville, NC

March 4, 2011

Hampton Inn/Mooresville
Mooresville, NC

March 5, 2011

Hilton/RTP
Durham, NC

March 7, 2011

DoubleTree Biltmore
Asheville, 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 2010 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 2,037 sq. ft. Cavalier Homes, Inc. manufactured home was placed in a prominent spot. Located near Gate 2, 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: Cavalier Homes, Inc. for providing the home; Atlan-



tic Service and Prime Supply for providing the HV/AC system; Batchelor Supply and Exteria Building Portfolio by Crane for providing the skirting.

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.

NC Energy Office Launches Program *continued from page 7*

\$73 each month compared with a standard manufactured home. Upgrading to an ENERGY STAR will cost an estimated \$25 per month in added monthly mortgage costs, but the energy savings on utility bills will actually result in \$48 net savings each month.

"We want to get homebuyers to look at the advantages of energy savings that can help them purchase a higher quality home, save on utility bills and help the environment," said Ward Lenz, director of the State Energy Office. "This helps consumers, conserves energy and even boosts North Carolina's economy."

The rebate program is sponsored, in part, by the State Energy Office with funds from the American Recovery and Reinvestment Act. Also sponsoring the program are the North Carolina Manufactured and Modular Homebuilders Association and GreenCo - the energy savings initiative N.C. Electric Membership Cooperatives. The initiative is being supported by Progress Energy, Duke Energy and Piedmont Natural Gas.

In addition to the rebate and monthly savings, Progress Energy and Duke Energy customers purchasing a new ENERGY STAR home also qualify for a 5 percent discount

on their utility bills.

A special website, www.NCEnergyStarPlus.org, explains the program to North Carolina consumers and includes an easy-to-use, fill-in-the-blank calculator so potential buyers can see for themselves how much an ENERGY STAR-rated manufactured home can save them. The site also includes a listing of manufactured home retailers participating in the program. There are links to the website on the N.C. Energy Office web home page, www.energync.net.

Changes come and changes go, but we can pretty much guarantee they are coming like it or not. The question we must ask is, "how do we handle change?" Do we become part of the problem or part of the solution?



Lovin

Elections can bring us the same type of changes. No matter what political party we belong to, we must all remember we are Americans first. When changes in a political structure come we must remember the cause for the change and work to make things better.

This year will be no different as the tone for the next two years on the national and local levels have been set.

For starters, one major change is that this is the first time in over 100 years, that the voters of North Carolina elected Republicans to control the General Assembly and that fact will dictate our state's political scene for a long period of time.

North Carolina is now a Republican leaning state with Democratic districts. When the GOP takes over in January, they will be drawing the lines that will govern the state for the next decade. But for the first time in recent history, there will be a Democrat U.S. Department of Justice that will have to approve the re-districting lines.

The budget crisis is also another change that may present some major issues in that legislators will be looking to slash where they believe things aren't needed and add money by generating more tax revenue. We don't have a crystal ball to see how all of these changes are going to affect us. All we know is that we have a lot of work for our association this session, and it will be interesting to see where the new representatives take us. I hope you will be there when we need you, whether it is to talk to your local representative or to raise some money for MaHPAC.

We need your help in light of all these changes. As I said at the beginning, we may not like them, but we know that they are coming. Will you help us be part of the solution?

Clayton Home Show



Kevin Clayton, Clayton Homes, talks to the NC Independent Retailers Group during the Clayton Home Show.

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!

January 12, 2011

Registered Housing Specialist Seminar and State Test
Raleigh, NC

February 3, 2011

NCMHA Board of Directors Meeting
Raleigh, NC

February 16, 2011

Registered Housing Specialist Seminar and State Test
Raleigh, NC

March 16, 2011

Registered Housing Specialist Seminar and State Test
Raleigh, NC

April 7, 2011

NCMHA Board of Directors Meeting
Raleigh, NC

April 13, 2011

Registered Housing Specialist Seminar and State Test
Raleigh, NC

May 11th, 2011

Annual Legislative Day and Board of Directors Meeting



Zoning Issues Across the State

City of Mt Airy

Members of the City Council have been discussing the possibility of zoning out modular homes from their downtown zoning districts. Staff along with member Todd Stanley of Stanley Home Center met and discussed this issue with the city manager and other staff members. We provided them with resources and information on modular regulation. Ultimately, we were able to get the city to back down on their proposed regulations. Our understanding is that the City is looking at appearance criteria for all residential dwelling within their downtown-zoning district.

Johnston County

Staff along with Jimmy Starling of Starling Homes met with the County Manager and Chairman of the Board to discuss the Abandoned Mobile Home Program. We provided them with the application and process to receive the grant. We also offered to help with the grant process and set up of the program. County officials are currently putting the program together.

Town of Cary

As you recall, staff met with community owners and the Director of Planning for the Town of Cary to discuss the proposed amendments to the zoning ordinance. Originally, the Town was proposing requiring all new homes in a community be installed with a masonry or similar type of curtain wall; all application for permits had to include a plat and lot dimensions of all proposed new installations;

set-back requirement of 10 feet between all homes and auxiliary structures; and changing and updating all definitions. Our meeting was very successful in that we were able to get the Town to:

- Reduced set-back requirement of 10 feet between homes and 5 feet between auxiliary structures
- Drop the plat requirement
- Drop the masonry or similar type curtain wall requirements
- Use the HUD definition of a manufactured home

Since the last meeting, Town Planners have updated their proposed draft to include these negotiated items. Next steps are for public hearings and adoption of the zoning changes.

Iredell County

County officials have announced that they will receive \$25,000 in grant money from the Abandoned Mobile Home (AMH) Program offered through the NC Department of Environment and Natural Resources.

Northampton County

County Commissioners unanimously approved a zoning amendment to treat on-frame modulars the same as off frame and site built homes. Phillip Moncure with Moncure homes helped get the changed approved.

NC Insurance Commissioner Column *continued from page 9*

- Any complaints 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 problems. Do not wait for a Department of Insurance investigation of the complaint to determine if you are 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 look forward to a more prosperous new year. If you have any questions about your responsibilities as manufactured housing license-holder, please contact our Manufactured Building Division at 919.661.5880.

Snapshot: Developments/ Projects Around the State

Clayton Homes is helping to build, "Mountaineer Hall" on the campus of Appalachian State University in Boone, NC. The dormitory is a 3 and 4 story building which will have 129 modules in all.



HAVE YOU HEARD?

After 26 years with Brown's Mobile Homes in Murfreesboro, NC, Joel B. Bennett, Sales Manager, retired December 31, 2010. Joel began his sales career at Brown's part-time in 1984 and became full time in 1985. Prior to beginning his career at Brown's, Joel was a debit insurance salesman with Western-Southern Life Insurance Company for 18 years. While there, he earned numerous sales achievement awards.

During his years at Brown's, manufacturers recognized him for his many attributes. He has been salesman of the year, salesman selling 25-50 homes per year, top Circle of Excellence salesman for 9 years running and the recipient of numerous incentive trips.

Joel was a great asset to Brown's Mobile Home Sales, and they wish him and his family the very best in what the future holds.

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written Red Flags Identity Theft Prevention Programs to detect, prevent and mitigate identity theft in connection with the opening of certain accounts or existing accounts. Land-lease communities and retailers are considered to be financial institutions, creditors, or to have covered accounts if they offer financing or help consumers get financing from others by processing credit applications.

The following activities would not require a written Red Flags Identity Theft Program: 1) The use of consumer credit reports solely for the purpose of qualifying applicants for residency; 2) Simply referring customers to lenders, without handling credit applications.

If a community or retailer is involved in the lending process, and thereby required to have a written Red Flags Identity Theft Prevention Program, they may be able to utilize the FTC-developed "Do-It-Yourself Template for Businesses at Low Risk for Identity Theft."

The FTC does not specifically identify industries or businesses that are at low risk. However, by answering the first four questions in Part A of the do-it-yourself template, the FTC provides individual businesses the flexibility to make this determination on their own.

One reason retailers and com-

munity owners may be at low risk for identity theft is because of the duplicative efforts of their lender partners to check the identity of the individuals the industry is assisting with financing. MHI discussed this issue with FTC staff who in turn recommended this be included in the "Here are the reasons we are at low risk for identity theft" section of the FTC do-it-yourself form.

If you determine that your business cannot use the FTC "Do-It-Yourself Template for Businesses at Low Risk for Identity Theft" you must develop a program customized to your business.

The program must provide for the identification, detection, prevention, and response to activities known as "red flags" that could be indicators of identity theft. The Red Flags Identity Theft Prevention Program must enable a financial institution or creditor to: 1) Identify relevant patterns, practices, and specific forms of activity that are "red flags" signaling possible identity theft and incorporate those red flags into the Program; 2) Detect red flags that have been incorporated into the Program; 3) Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and 4) Ensure the Program is updated periodically to reflect changes in risks from identity theft.

The rule requires program oversight by an employee at the level of senior management who will have the following responsibilities: 1) Assigning specific responsibility for the program's implementation; 2) Reviewing reports prepared by staff regarding compliance at least annually. Reports from staff should address material matters related to the program and evaluate issues such as: the effectiveness of the policies and procedures in addressing the risk of identity theft in connection with taking loan applications; significant incidents involving identity theft and management's response; and recommendations for material changes to the program and; 3) Approving material changes to the program as necessary to address changing identity theft risks.

The program developed must be appropriate to the size and complexity of the financial institution or creditor and the nature and scope of its activities. MHI has developed a template to assist community owners and retail sales centers in complying with the Red Flags Rule. The template includes the four areas listed above, plus a fifth area to document employee training on the program.

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PICTURE OF THE MONTH



NCMHA President, Jim Holmes, is "caught" by our camera working hard in his new development. No one can argue that he's not a hands-on guy!

HUD CODE September 2010

	Through September 2010		Through September 2009		Percentage Change
	Shipments	Market Share	Shipments	Market Share	
New England	657	1.7%	675	1.8%	-2.7%
Middle Atlantic	2,311	5.8%	1,865	5.0%	23.9%
East North Central	2,206	5.6%	2,112	5.7%	4.5%
West North Central	2,147	5.4%	1,767	4.7%	21.5%
South Atlantic	8,383	21.1%	8,093	21.7%	3.6%
East South Central	6,595	16.6%	6,305	16.9%	4.6%
West South Central	12,314	31.1%	11,336	30.4%	8.6%
Mountain	2,819	7.1%	2,657	7.1%	6.1%
Pacific	2,217	5.6%	2,439	6.5%	-9.1%

	Through September 2010		Through September 2009			Percentage Change
	Shipments	Market Share	Shipments	Market Share	Rank	
1. Texas	6,401	16.0%	5,516	14.6%	1	16.0%
2. Louisiana	3,369	8.4%	3,680	9.7%	2	-8.5%
3. Florida	1,990	5.0%	1,684	4.5%	5	18.2%
4. North Carolina	1,919	4.8%	1,956	5.2%	3	-1.9%
5. Mississippi	1,833	4.6%	1,681	4.4%	6	9.0%
6. Kentucky	1,751	4.4%	1,632	4.3%	7	7.3%
7. Tennessee	1,560	3.9%	1,248	3.3%	8	25.0%
8. Alabama	1,451	3.6%	1,744	4.6%	4	-16.8%
9. Oklahoma	1,398	3.5%	1,116	3.0%	12	25.3%
10. South Carolina	1,336	3.3%	1,146	3.0%	11	16.6%
	23,008	57.6%	21,403	56.6%		7.5%

North Carolina Product Mix September 2010

Shipments			Production		
Single-Section	Multi-Section	Total Shipments	Single-Section	Multi-Section	Total Shipments
97	106	203	94	137	231

North Carolina	2009	2010	% Change
Home Production	265	231	-12.8%
Home Shipments	223	203	-9.0%

MODULAR 3rd Quarter 2010

Shipments of Modular Homes by State Ranked from Highest to Lowest
3rd Quarter 2010

	Modular Shipments	% of Total
North Carolina	447	12.1%
New York	338	9.1%
Pennsylvania	335	9.1%
Virginia	246	6.6%
Maine	140	3.8%
Maryland	131	3.5%
New Jersey	118	3.2%
Iowa	116	3.1%
Michigan	111	3.0%
Minnesota	109	2.9%
Ohio	109	2.9%
Wisconsin	108	2.9%
Indiana	99	2.7%
Massachusetts	97	2.6%
Texas	91	2.5%
South Carolina	81	2.2%
Illinois	69	1.9%
Colorado	63	1.7%
Nebraska	59	1.6%
Florida	57	1.5%
New Hampshire	51	1.4%
Tennessee	50	1.4%
Connecticut	46	1.2%
Delaware	46	1.2%
West Virginia	40	1.1%
Vermont	36	1.0%
Missouri	35	0.9%
Georgia	24	0.6%
Rhode Island	14	0.4%

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