

MANUFACTURED HOUSING



CITIZENS GROUP

*Helping buyers of
manufactured housing
make informed decisions*

Before You Buy a Manufactured Home:

HUD governs and inspects the manufacturing process of the units themselves. HUD code is not as strict as the federal code used for the manufacture of modular homes (falling between manufactured and stick built homes in price), but the federal government expects new manufactured housing to be of sufficient quality to last over 50 years.

The biggest problem in manufactured housing is that supervision of transportation and installation is left up to the individual states, and state laws do not adequately protect buyers of these homes.

The dealer actually owns the home until the enforcing agency (county or state) issues the final permit to occupy, and it is at this time the buyer becomes owner of the home – unfortunately, this transaction may take place without the buyer’s knowledge or approval. Although the final inspection of the enforcing agency may verify the health & safety conditions of a home, this inspection does not check the sales contract or guarantee that it is honored.

AARP’s 1999 survey showed that 3 of every 4 new manufactured homes had serious problems (foundation or plumbing) and that owners were not successful in getting dealerships to fix the problems! Once money is transferred, buyers have no leverage.

Contracts are not written in the buyer’s favor. Dealers say the house can be ready just a few months, but when deadlines are not included in the contract, buyers report spending up to a year in temporary housing. Contracts may take away the right to sue, or the contract omits provision for attorney’s fees so that the buyer cannot afford legal help even if the buyer sues and wins.

The Manufactured Housing Citizens Group advises that buyers hire a lawyer to review contracts before signing, and that they have an attorney ensure a portion of escrow funds (from 10% to 20%) be held back until the buyer (or qualified inspector hired by the buyer) approves the installation.

Consumers Union, the nonprofit advocacy branch of Consumer Reports, suggests in “How to Prevent Trouble” that inspection services average from \$350 to \$500 for a 2,500 square-foot home and that in New York legal services can range from \$650 to 1 percent of the total purchase price. You can find an inspector at nabie.org (National Academy of Building Inspection Engineers) or ashi.org (American Society of Building Inspectors). State bar association and local Yellow Pages are good resources for finding attorneys who handle construction defect law.

Consult our website at www.ManufacturedHousingCitizens.org for more information.