

MEMORANDUM

TO: JH
FROM: Preston *RB*
DATE: September 26, 1990
RE: Hiler Amdt on Manufactured Housing

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→ Preston
for 9/27 file
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Today after the hearing Senate and House staffers met to discuss the Hiler provisions on Manufactured Housing. These provisions would relax the standards imposed on the producers of Manufactured housing. Proponents of these provisions argue that relaxing the defect notice requirements, removing the chassis and lowering the fee will not adversely affect safety while bringing a low cost, durable home to the market. Opponents see these homes as the stationary mobile homes that are blown to pieces when natural disasters hit.

The only feature that distinguishes these homes from modular homes is the permanent chassis that is affixed to the bottom of the home. Since modular homes are regulated by state law and manufactured homes by federal law opponents feel that federal changes, ie removal of the chassis will result in Federal preemption (lower standards) of state law (higher standards) in both manufactured and currently regulated modular housing.

PA is one of the targets producers of this type ^{manufactured} of housing.

House and Senate democrats seemed content to have a study on the merits of the proposed changes. Senator Bond is supportive of the Hiler provision (Missouri is also a big producer of these homes) but has raised concerns about lowering the safety standards on these houses. Senator Cranston and Sarbanes are vehemently opposed to the provision. House democrats are opposed to the provision and house republicans have expressed no opinion pro or con.

The following outlines what the Hiler amendment proposes to do.

BACKGROUND

A Manufactured Home is a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes plumbing, heating, air-conditioning, and electrical systems contained therein.

which aggravates Bldg Trades, as they get none of the work, and actually lose work to extent manu. housing is substituted for stick built.

During the House Housing Subcommittee markup of H.R. 1180, Congressman Hiler offered a package of amendments to the Manufactured Housing Construction and Safety Standards Act of 1974.

The Hiler amendments make changes in the following key areas:

1. NOTIFICATION:

A) Under current law, manufactured home owners must be informed of defects in housing that create imminent safety hazards, or are due to a failure to meet federal design and construction safety standards.

B) The Hiler amendment raises the threshold at which notification and repair must occur. Consumers would no longer be notified when a manufactured home contains a defect in design or construction which causes the home to fail federal safety standards. Consumers would only be informed of "serious defects" in design or construction which posed an imminent threat of death or serious injury.

2. INSPECTIONS:

A) Under current law inspections are accomplished through several complex steps. HUD certifies primary inspection agencies to insure that federal standards are met in the design and construction of manufactured homes. HUD also monitors the performance of these primary inspection agencies.

B) Hiler amendments formalize the process and only allow HUD to monitor the inspection agencies which enforce the federal design and construction standards once a year.

3. PERMANENT CHASSIS:

A) Under current law manufactured housing is required to be built on a permanent chassis consisting of a frame and a transportation system.

B) In Hiler, this previously mentioned requirement would be deleted from the statute. This would eliminate the distinction between manufactured housing and modular housing, thereby necessitating a major overhaul of the modular housing regulatory process.

4. WARRANTIES:

A) Under current law there are no specified warranties. (although state regulations require manufactured housing to meet warranty requirements in a number of cases)

B) In Hiler, A two-year warranty would be required for all manufactured homes. However, the extent of coverage of the warranty is not specified and the Secretary is prohibited from defining the terms of the warranty.

in which case, this provision is only intended as a marketing tool... "house has federally mandated warranty against defects, etc..."

what?!

sounds ok

not a change to be made lightly. Need info

X

? X

what does HUD think about this?

5. TESTING:

A) Current law allows HUD to "conduct research, testing, development and training necessary to carry out the purposes" of the Act. This testing is funded from the money collected from label fees.

B) Under Hiler, the Secretary (HUD) could only conduct research in "unusual circumstances" and only 5% of amounts collected from the fees could be used for testing.

6. FEDERAL STANDARDS:

A) Under current law, the Secretary develops federal standards in consultation with the Consumer Product Safety Commission.

B) The Hiler amendment would eliminate this role of the Consumer Product Safety Commission.

The amendments were strongly backed by the manufactured housing industry, however consumer and state groups oppose the changes believing that the amendments significantly weaken the consumer protection contained in the original Act.

am not convinced
that HUD would fail
to develop adequate
standards if CPSC
was eliminated

maybe.

small
fifty

don't
know