

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING

MANUFACTURED HOUSING STANDARDS PROGRAM

PROGRAM HIGHLIGHTS

	ACTUAL <u>2001</u>	ENACTED <u>2002</u>	ESTIMATE <u>2003</u>	INCREASE + DECREASE - <u>2003 vs 2002</u>
(Dollars in Thousands)				
<u>Program Level:</u>				
State Plans Approved .....	35	35	35	...
Manufactured homes produced ....	191,249	200,000	210,000	+10,000
Transportable sections produced	338,565	350,000	367,500	+17,500
<u>Budget Authority</u>				
Prior Authorization .....	\$1,876	NA	NA	NA
New Authorization .....	<u>\$6,100 a/</u>	<u>\$13,566</u>	<u>\$13,000</u>	<u>-\$566</u>
Subtotal .....	\$7,976	\$13,566	\$13,000	-\$566
Obligations .....	\$11,029	\$13,566	\$13,000	-\$566
Budget Outlays .....	\$10,068	\$14,566	\$13,000	-\$1,566

NA =Not Applicable

a/ Amount represents fees collected after the enactment of P.L. 106-569.

SUMMARY OF BUDGET ESTIMATES

HUD requests a \$13 million appropriation in fiscal year 2003 which will be used to: (1) cover the contractual costs of the program; (2) make payments to the States for the costs of investigating purchaser complaints; and (3) cover the Department's expenses for staff. Payment for this last item is made through a transfer to the "Salaries and Expenses, HUD" account. The Department will ensure that staffing is sufficient for proper enforcement of standards and to respond to questions concerning the uniformity and consistency of code revision. Also, the Department will assess its program cost to ensure the program is implemented in an economical and efficient manner. The appropriation will be fully supported by the collection of fees.

EXPLANATION OF INCREASES AND DECREASES

In fiscal year 2003, the manufactured housing program will continue to carry out the responsibilities of the 2000 Act. The number of manufactured homes and transportable sections produced are expected to increase over the 2002 estimated level of 210,000 homes and 350,000 transportable sections by over 5 percent. Fees are charged for each manufactured home transportable section produced and will be used to fund the costs of all authorized activities necessary for the Consensus Committee, HUD, and its agents to carry out all aspects of the manufactured housing reform legislation at the appropriated level of funding.

PROGRAM DESCRIPTION AND ACTIVITY

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes the Secretary of HUD to establish Federal manufactured home construction and safety standards for the construction, design, and performance of manufactured homes. The standards are to govern quality, durability, and safety among other things. The Act took effect June 15, 1976,

Manufactured Home Inspection and Monitoring Program

and all manufactured homes produced since then must meet Federal manufactured home construction and safety standards.

A fee is charged to producers to cover the cost of administering the Act. Activities authorized by the Act include the following:

1. Establishment of Standards. Under the Act, the Secretary is directed to establish appropriate Federal manufactured home standards for the construction, design, and performance of manufactured homes which meet the needs of the public, including quality, durability, and safety.
2. Consensus Committee. In 2000, the Act was amended to establish a consensus standards and regulatory development process. HUD has contracted for an Administering Organization and will support a Consensus Committee to implement the revised standards process.
3. Enforcement of Standards. Enforcement of the standards is accomplished mainly by third-party primary inspection agencies. These agencies can be private or State agencies and are approved and monitored by HUD.
4. Addressing noncompliance with Standards. Title VI of the 1974 Act requires that every company that builds manufactured homes provide HUD with the plans for each model produced. The manufacturer is required to issue a certification that each section built meets the Federal standards in effect at the time of production. If the Department determines that any manufactured home does not comply with standards or contains a defect constituting a significant safety hazard, it may require the producer to notify the purchaser of the manufactured home of the defect. In certain cases, HUD may require repair, replacement or refund of the price of the defective section(s).
5. Administration and Enforcement of Installation Standards and Dispute Resolution Program. The 2000 Act calls for the development of new installation standards and a new program for dispute resolution.

Currently, 35 States have had their State Administrative Agencies approved for participation in the program. Also, 17 Primary Inspection Agencies (7 private and 10 State) are approved as qualified to serve as a Design Approval Primary Inspection Agency and/or Production Inspection Primary Inspection Agency.

STRATEGIC GOALS AND OBJECTIVES: RESOURCES REQUESTED (\$ AND FTE) AND RESULTS

This program contributes to achieving HUD Strategic Objective 6.2 "Improve accountability, service delivery and customer service of HUD and our partners." By regulating manufactured housing construction, HUD ensures construction conforms to established safety standards.

SELECTED PERFORMANCE MEASURES

NOTE: Targets are preliminary and may be revised with the submission of the full APP document.

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003
<b>Strategic Goal 2: Help families move from rental housing to homeownership.</b>			
Discretionary BA (Dollars in Thousands)	\$5,000	\$11,566	\$11,000
FTE			
Headquarters	2	4	4
Field	0	0	0

Manufactured Housing Standards Program

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003
Subtotal	2	4	4
<b>Strategic Objective 2.1: Expand national homeownership opportunities.</b>			
Indicator: Improve National homeownership opportunities			
<b>Strategic Goal 6: Embrace high standards of ethics, management and accountability.</b>			
Discretionary BA (Dollars in Thousands)	\$1,100	\$2,000	\$2,000
FTE			
Headquarters	12	23	23
Field	0	0	0
Subtotal	12	23	23
<b>Strategic Objective 6.2: Improve accountability, service delivery and customer service of HUD and our partners.</b>			
HUD will work to monitor the progress of the Administering Organization and the Manufactured Housing Consensus Committee and hold each accountable for milestones and responsibilities provided in the Manufactured Housing Improvement Act of 2000.			
<b>FTE Total</b>	<b>14</b>	<b>27</b>	<b>27</b>