

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING

MANUFACTURED HOUSING STANDARDS PROGRAM

PROGRAM HIGHLIGHTS

	ACTUAL 2000	ENACTED 2001	ESTIMATE 2002	INCREASE + DECREASE - 2002 vs 2001
(Dollars in Thousands)				
<u>Program Level:</u>				
State Plans Approved	36	35	35	...
Manufactured homes produced	350,000	360,000	364,000	+4,000
Transportable sections produced	452,119	461,000	412,500	-48,500
<u>Budget Authority</u>				
Permanent, indefinite				
appropriation	\$10,851	\$11,068	...	-\$11,068
Discretionary Appropriation	\$17,254	+\$17,254
Subtotal	\$10,851	\$11,068	\$17,254	+\$6,186
Obligations	\$14,850	\$16,000	\$17,254	+\$1,254
Budget Outlays	\$13,759	\$14,000	\$16,000	+\$2,000

SUMMARY OF BUDGET ESTIMATES

For fiscal year 2002 and thereafter, the manufactured housing standards program is subject to annual appropriations per the Manufactured Housing Improvement Act of 2000. Previously, the program had permanent, indefinite appropriation status.

HUD requests a \$17 million appropriation in fiscal year 2002 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 supported by the collection of fees.

EXPLANATION OF INCREASES AND DECREASES

In fiscal year 2002, the program is requesting a discretionary appropriation for the first time. As a result of new responsibilities, 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, 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.

Manufactured Home Inspection and Monitoring Program

2. Consensus Committee. In 2000, the Act was amended to establish a consensus standards and regulatory development process. HUD will contract 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. 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 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 1.3 "American's housing is safe and disaster resistant." By regulating manufactured housing construction, HUD ensures construction conforms to established safety standards.

SELECTED PERFORMANCE MEASURES

	ACTUAL 2000	ENACTED 2001	ESTIMATE 2002
Strategic Goal 1: Increase the availability of decent, safe and affordable housing in American communities.			
Discretionary BA (Dollars in Thousands)	10,851 ^{a/}	11,068	17,254
FTE	12	12	12
Strategic Objective 1.3: America's housing is safer, of higher quality, and disaster resistant.			
Outcome Indicator 1.3.8: The ratio of manufactured housing stock conforming to high-wind standards to total manufactured housing in coastal zones subject to hurricanes increases by 5 percentage points from 2000 levels by 2005. ^{b/}	Baseline To Be Determined	Not Available	Not Available

a/ Mandatory program in fiscal year 2001.

b/ The baseline, using 2000 Census data, will be developed by fiscal year 2002.