

SUPPORTING STATEMENT
For
Manufactured Home Construction and Safety Standards Act
Reporting Requirements
(2502-0253)

A. JUSTIFICATION

1. The National Manufactured Housing Construction and Safety Standards Act (the Act) [42 U.S.C. 5400 et. seq., Public Law 93-383], authorizes HUD to establish construction and safety standards for manufactured (mobile) homes and to enforce these standards. Each such Federal manufactured housing standard shall be reasonable and shall meet the highest standard of protection [42 U.S.C. 5403]. The Secretary may by order, amend or revoke any Federal Manufactured Home Construction and Safety Standard established under Section 604 of the Act [42 U.S.C. 5403]. Section 623 of the Act permits any State to assume responsibility for the Federal program within the State, after approval of a State plan of enforcement by the Secretary. Section 614(f) of the Act [42 U.S.C. 5413(f)] requires each manufacturer, distributor, and dealer of manufactured housing to establish and maintain such records and provide such information as the Secretary may reasonably require to determine whether the manufacturer is in compliance with the Standards.

To carry out its responsibilities under the Act, the Department has issued the Federal Manufactured Home Construction and Safety Standards (the Standards), 24 CFR 3280. The Standards incorporate requirements for certain labels and notices to be posted. The Department has also issued the Manufactured Home Procedural and Enforcement Regulations (the Regulations), 24 CFR 3282 and 3283, to enforce these standards. These regulations require certain reports be made and certain data be maintained.

2. **Consumer Information Cards** – Federal regulations require a distributor or dealer who sells a manufactured home to fill out a consumer information card, which is then sent to the manufacturer, who produced the home. This requirement assists both HUD and the State Administrative Agencies (SAAs) in locating homes with similar defects, which may have been produced by the manufacturer, which then would create the need for notification and/or correction by the manufacturer. Approximately 170,000 manufactured homes are produced each year.

SAA Reports – Regulations require that each SAA, prior to the last day of each month, shall submit a report to the Secretary covering SAA activities performed in the preceding month. This report is to include a description and status of all hearings and other administrative actions as well as a description of SAA activities regarding consumer complaints. The SAA monthly reports are necessary to ensure fair and efficient enforcement of the Standards. These reports enable the Department to coordinate enforcement with the States and prevent duplicate enforcement actions. There are currently 38 SAAs participating in the program.

State Plan – HUD permits any State to assume responsibility for the Federal program within the State after approval of a State plan of enforcement by the Secretary. State Plans must meet the requirements to provide satisfactory assurance to the Department that the State's plan will adequately enforce the provisions of the Act, the Standards, and the Regulations.

IPIA Reports – A production Inspection Primary Inspection Agency (IPIA) is a State or private agency that is responsible for assuring that the manufactured home manufacturer is capable of following the procedures set out in its quality assurance manual, and that manufactured homes are constructed in accordance with the approved design and in compliance with the Standards. An IPIA inspection report is also attached to the monthly SAA report. The IPIA report, which is submitted to the SAA, or HUD if there is no SAA, is submitted by each IPIA approved by HUD.

The IPIA report serves as a brief summation of the IPIA activities in the preceding month and assists both HUD and the SAAs in monitoring of IPIA activities and tracking possible and discovered problems. There are currently 15 IPIAs actively participating in the program. Ten IPIAs monitor production in ten respective States, while the remaining five IPIAs each monitor production, on an average, in about ten States.

Manufacturer Records – Regulations require manufacturers maintain complete records of all information that may indicate the existence of a problem in a manufactured home for which the manufacturer is responsible for providing notification and correction. The required remedial action for the defects existing in a number of homes is for manufacturers to notify homeowners of the problem and its implications. More serious defects require the manufacturer to make corrections to the homes as well as provide notification to the homeowners. However, if manufacturers decide to voluntarily correct defects in a timely manner, formal notification may be waived. These requirements are described in 24 CFR 3282.404, 409, and Section 615 of the Act. The records are to be maintained in a form that will allow the Secretary or SAA to discern who made the determination, and the basis for the determination. These records are to be kept no less than five years from the date the manufacturer received this information. This requirement assists both HUD and the SAAs in locating homes with similar defects, which may have been produced by the manufacturer, which then would create the need for notification and/or correction by the manufacturer.

Consumer Manuals – The manuals authorize the Secretary to develop guidelines for a consumer manual to be provided to purchasers by the manufacturer, 42 U.S.C. 5416. These manuals explain the purchaser’s responsibilities for the operation, maintenance, and repair of their manufactured homes.

Appliance/Utility Labels & Notices – The Standards require specific labels and notices to be placed either in or on the outside of the manufactured home before it leaves the production facility. The purpose for providing and posting the labels is to ensure that necessary information is readily available to the homeowner, dealer, contractor, and utility personnel. This information is used to prepare, locate, and use the home in the manner intended.

If the labels and notices were not used as a means of providing this information, it would have been necessary to develop more restrictive standards to account for geographic design variations, certain safety concerns, and potentially unsafe utility connections. Furthermore, future home modifications would have been inhibited without the availability of the data to permit the addition of the air-conditioners and gas appliances on-site.

3. Technology is used to the extent possible. The reports required and records kept are specified in terms of performance and results. The Department permits significant leeway in how database reports are generated and stored; respondents may choose the format they wish. All reports are submitted via e-mail.

The Standards require specific labels and notices to be physically placed either in or on the outside of the manufactured home before it leaves the production facility, so that necessary information is readily available to the homeowner, dealer, contractor, and utility personnel. There is no technological application for this activity.

4. A review of the requirements indicates there is no duplication within the program. Further, the communications and data required do not exist outside the program.
5. When the Department promulgates its rules for the Standards and the Regulations, the Secretary has consistently found that, in accordance with U.S.C. 605, that impact on small business is insignificant.
6. Currently, the Department requests the information only when a manufactured home is constructed. Without the labels, notices, and instructions, HUD and the State Agencies will not be able to locate manufactured homes with defects before they are insured. The burden imposed is minimal and cannot be reduced.
7. The special circumstance requiring respondents to report information to the Department more than quarterly is requested because the SAA Reports are done monthly. The special circumstance requiring respondents to retain records more than three years is requested because the Manufactured Records are retained for five years in the event of complaints by the manufacturer or the consumer.
8. In accordance with 5 CFR 1320.8(d), the agency's notice for public comments was announced in the *Federal Register* on December 6, 2011 (Vol.75, No. 233, page 75692). No comments.

HUD staff consulted with parties from whom the Department collects the information on these forms, primarily manufacturers and in-plant primary inspection agencies (IPIAs) and state administrative agencies (SAAs).

With the manufacturer – Cavalier Homes and Magnolia Homes, HUD shared the current time estimates of collecting and storing data or providing information related to nine information collection tools: the consumer information cards, consumer manuals, labels and notices, smoke alarms, ventilation instructions, ventilation labels, support location, heat loss certificate and humidity zone designation. The two manufacturers had different recommendations; one recommending reducing the burden hour per response by over 50 percent on four information collection tools, over 30 percent on three information collection tools, and increased the burden hour per response by 20 percent on two. The other manufacturer did not differentiate among information collection tools, but overall did not recommend substantial increases or reductions in burden hour per response.

With the Nebraska IPIA, HUD shared the current time estimates and was advised that the current time estimates were representative.

With the Nebraska's SAA, HUD shared the current time estimates and was advised that the current time estimates were representative.

All parties agreed that the same parties provide this information every collection period, so the instructions are clear, and that the frequency of collection was fair.

9. There are no gifts to respondents, other than remuneration of contractors or grantees.
10. There is no assurance of confidentiality. The Privacy Act of 1974 protects the respondents meeting these reporting requirements.
11. There is no sensitive information involved.

12. Burden Hours – Estimated Number of Respondents, Responses, and Burden Hours Per Annum

Based on the conversations with parties from whom the Department collect the information on these forms, HUD has revised the Burden Hour per Response to more accurately reflect the time required to collect or distribute the information addressed in this form.

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Consumer Info. Cards	150	460	69,000	0.5	34,500	\$31.00	\$1,286,500
SAA Reports	38	12	456	0.64	292	31	9,052
State Plan (Update)	17	1	17	40	680	31	21,080
IPIA Reports	15	152	2,280	0.5	1,140	31	35,340
Manufacturers Records	150	460	69,000	0.16	13,280	31	411,680
Consumer Manuals	150	460	69,000	0.1	8,300	31	257,300
Appliance/Utility Labels & Notices	150	460	69,000	0.2	16,600	31	514,600
Smoke Alarms	150	460	69,000	0.1	8,300	31	257,300
Whole House Ventilation Instructions	150	460	69,000	0.01	830	31	25,730
Whole House Ventilation Label	150	460	69,000	0.01	830	31	25,730
Centerline Support Locations	150	300	54,000	0.03	1,620	31	50,220
Data Plate ^{1,2}	150	460	69,000	1.0	83,000	31	2,573,000
Installation Instructions ³	80	1	80	1	80	31	2,480
TOTALS⁴	193		116,833		169,452		5,238,442

13. There is no additional capital start up costs to the respondents.

14. Estimated cost to the Federal Government

IPIA and SAA reports - 40 hours/ week @ \$31.00 per hour = \$1,120 per week
 \$1,120 per week x 52 weeks = **\$58,240** per year

State Plan reviews - 120 hours per plan x 2 plans = 240 hours per year
 \$31 per hour x 240 = **\$6,720** per year

Grand Total = \$64,960 per year

The hourly rate is based on a GS-11 step 2.

¹Certificate already required. One-time change; number is now updated

²Annual Burden hours now includes an item previously omitted; number is now corrected

³Installation instructions are already required and the collection previously approved with the Model Installation Standards. This public burden estimate is for a one-time revision to the instructions.

⁴Total Respondents (38 SAAs, 15 IPIAs, 150 Manufacturers).

The Department recommends basing the hourly cost per response on a private sector salary for a Program Analyst (2 to 5 years of experience) at the equivalent of a GS 11 step 2 or approximately \$65,000 or \$31 per hour.

15. This is an extension of a currently approved collection. While the manufactured housing industry has experienced a drop in production levels, the number of manufactured home plants has not closed in proportion to the drop in production, nor has the cost per home, resulting in an overall increased cost adjustment and a decrease in burden numbers.
16. The results of the information collection will not be published.
17. We are not seeking approval to avoid displaying the expiration date.
18. There are no exceptions to the certification statement identified in item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods

The collection of information does not employ statistical methods.