

SUPPORTING STATEMENT
Manufactured Home Installation Program Reporting Requirements
(2502-0578)

(Form HUD-305, Form HUD-306, Form HUD-307, Form HUD-308, Form HUD-309, Form HUD-312)

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], as amended by the Manufactured Housing Improvement Act of 2000, authorizes HUD to establish and enforce construction and safety standards for manufactured homes and model manufactured home installation standards.

To carry out its responsibilities under the Act, the Department has issued the Manufactured Home Construction and Safety Standards (Construction Standards), 24 CFR 3280. These 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 the Construction Standards. These regulations require certain reports be made and certain data be maintained.

The Department published a Final Rule to establish the Model Manufactured Home Installation Standards (Model Installation Standards), which required home manufacturers to evaluate their current installation instructions and make necessary revisions to ensure that minimum installation elements are addressed therein. In addition, the Department has published a Final Rule to establish the required Manufactured Housing Installation Program (Installation Program) for the enforcement of the Model Installation Standards in each State that does not have an installation program established by State law [42 U.S.C. 5404]. This supporting statement describes the reporting requirements for the Installation Program.

The Manufactured Home Construction and Safety Standards Act Reporting Requirements under OMB control number 2502-0253 describe the reporting requirements for the Construction Standards, the Regulations, and the Model Installation Standards.

Following is a compilation of the reports, records, labels, notices, and instructions that are required by the Installation Program. The authority in the Act and the CFR are indicated.

<u>Title</u>	<u>Authority by Section</u> (42 U.S.C. 5400)	<u>Authority by Section</u> (24 CFR)
State Plans	605(c)	3286.805, 3286.807
Manufacturer Records	605(c)	3286.102
Retailer Records	605(c)	3286.113, 3286.605, 3286.607
Installer Records	605(c)	3286.411, 3286.413, 3286.507(b)
Installation License	605(c)	3286.207, 3286.209, 3286.211
Trainer Records	605(c)	3286.303
Trainer Registration	605(c)	3286.307, 3286.311, 3286.313
Installation Instructions	605(a)	3286.5
Labels & Notices	605(c)	
Recommendations for Reinstallation		3286.7(a)
Retailer Disclosure to Purchaser		3286.7(b), 3286.503(b), 3286.603(a)
Installation Instructions to Purchaser		3286.103(a)
Installation Instructions to Installer		3286.103(b)
Notify of Inappropriate Site		3286.405(b)
Notify Failure to Comply with MHCSS		3286.405(c)
Retailer Notice to Subsequent Installers		3286.405(d)
Installer Provide Certification		3286.111, 3286.411(b)
Installer Provide Instructions to Inspector		3286.503(c)

2. The respondents are the 35 States that have installation programs; 123 Manufacturing Facilities comprised of 78 separate Corporations; 340 Retailers in HUD-administered Installation Program States; 5,150 Retailers in non HUD-administered Installation Program States; 1,021 Installers in HUD-administered Installation Program States; and 50 Trainers in HUD-administered Installation Program States.

HUD uses the information collected for the enforcement of the Model Installation Standards in each State that does not have an installation program established by State law to ensure that the minimum criteria of an installation program are met.

State Plans – 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. The State plan must meet the following requirements to provide satisfactory assurance to the Department that the State’s plan will adequately enforce the provisions of the Act, the Construction and Safety Standards, and the Regulations. The Manufactured Home Construction and Safety Standards Act Reporting Requirements describe the reporting requirements for State Plans that the Construction Standards, Model Installation Standards, and the Regulations require under OMB control number 2502-0578.

Section 605(c) of the Act provides that each State may implement and administer its own installation program in such a way that it would not be covered by the HUD-administered Installation Program. To be accepted as a fully qualifying installation program, a State installation program must include the following elements:

- a. Installation standards that, in the determination of the Secretary, provide protection to the residents of manufactured homes that equals or exceeds the protection provided by the Model Installation Standards established by the Secretary;
- b. The training and licensing of manufactured home installers; and
- c. Inspection of the installation of manufactured homes.

A state seeking identification as a qualified installation program must submit the completed State Installation Program Certification Form (Form HUD-312).

Manufacturer Records – OMB has issued HUD the control number 2502-0578 for the information collection requirements under the current Manufactured Housing Construction and Safety Standards Program, which currently requires the manufacturer to provide the Department information regarding the construction and shipment of each manufactured home in 24 CFR part 3280.552.

The Installation Program requires the manufacturer to provide the Department and the retailer with initial tracking information about each manufactured home as described in 24 CFR 3286.9(a) and 24 CFR 3286.102(a), respectively. The information required in 24 CFR part 3280.552 under control number 2502-0578 will satisfy the requirements in 24 CFR 3286.9(a). Therefore, 3286.9(a) will not require additional information and is not included in this submission. The reporting requirement for 3286.102(a) requires the manufacturer to this tracking information to the retailer and is accounted for in this submission.

Retailer Records – The Installation Program requires that the retailer track the installations of manufactured homes in States which the Department administers the Installation Program per 24 CFR 3286.113 (see Form HUD-305 and Form HUD-306).

Installer Records – The Installation Program requires that the manufactured home installer certify that the home has been installed properly and have the installation inspected by a qualified inspector per 24 CFR 3286.111 (see Form HUD-309). The manufactured home installer is required to maintain these records along with the foundation designs used to install the home per 24 CFR 3286.413.

Installation License – Section 605 of the Act requires licensing of manufactured home installers as a requirement for the installation program. The process and requirements for obtaining a license is described in 24 CFR 3286.207. Form HUD-307 is the HUD Manufactured Home Installer Application.

Trainer Records – Qualified trainers are required to maintain attendance records, provide attendees certificates of completion of training, and maintain all records for 5 years. The records of trainers must be made available to the Departments upon request per 24 CFR 3286.303.

Trainer Registration – The process and requirements for obtaining trainer’s qualification is described in 24 CFR 3286.307. The applicant must demonstrate the appropriate experience, list other states in which they possess similar training registration, and certify that training curriculum is in accordance with the requirements established. Form HUD-308 is the HUD Manufactured Home Installation Trainer Registration Application.

Installation Instructions – OMB has issued HUD the control number 2502-0578 for the information collection requirements under the current Manufactured Housing Construction and Safety Standards Program, which currently requires manufacturer to provide each manufactured home with installation instructions in 24 CFR part 3280.306 and 24 CFR part 3285.2. Therefore, 3286.9(b) is not included in this submission.

Temporary installation instructions are required in 24 CFR 3286.5(c)(2) and is included with this submission.

Labels and Notices – The Installation Program requires specific notices and disclosure to be provided to specific parties during the manufactured home installation process in 24 CFR 3286. The purpose for the reporting system is to assure that the Department can determine whether a particular home was being installed in a State that is administering its own qualifying installation program or is being installed in a State where the Department would be administering the installation requirements. Since the entities involved in the construction, sale or lease, and installation of the home are separate entities, it is necessary for the Department to know the entities performing and responsible for each task in the process. This information is used to locate and use the home in the manner intended. By section, the labels and notices are listed below:

3286.7(a) Recommendations for Reinstallation – Manufacturers must provide a recommendation in each consumer manual that any home that has been reinstalled after its original installation should be inspected after it is set up.

3286.7(b) Retailer Disclosure to Purchaser – Retailers must disclose to the purchaser that the manufactured home must be installed in accordance with applicable Federal and State law, including the requirements for a third-party inspection. (See also 3286.503(b) and 3286.603(a)).

3286.103(a) Installation Instructions to Purchaser – The retailer must provide the purchaser with a copy of the manufacturer’s DAPIA-approved installation instructions for the home; or an installation design and instructions that have been reviewed and certified by licensed engineer or registered architect as providing a level of protection that equals or exceeds the protection provided by the Model Installation Standards.

3286.103(b) Installation Instruction to Installer – When the retailer agrees to provide any set-up in connection with the sale of the home, the retailer must provide a copy of the same DAPIA-approved installation instructions or, as applicable, installation design and instructions to each company or, in the case of an sole proprietor, individual who performs set-up or installation work on the home.

3286.405(b) Inappropriate Site – If the installer determines that the home cannot be installed properly at the site, the installer must notify the purchaser or other person with whom the installer contracted for the installation work, and notify the retailer that contracted with the purchaser for the sale of the home.

3286.405(c) Failure to Comply with Manufactured Home Construction and Safety Standards – If the installer notices and recognizes failures to comply with the construction and safety standards in part 3280 of this chapter prior to beginning any installation work, during the course of the installation, or after the installation work is complete, the installer must notify the manufacturer and retailer of each failure to comply.

3286.405(d) Retailer Notification to Subsequent Installers – The retailer must provide a copy of the notification received in paragraphs (b) and (c) of this section to any subsequent installer.

3286.411(b) Installer Provide Certification – The installer must provide its original certification to the retailer, and must provide a copy of the certification to the purchaser.

3286.503(c) – Installation instructions must be made available to the inspector at the installation site by the installer.

3. Information technology is not a factor affecting the level of burden. 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.
4. A review of the requirements indicates there is duplication in the reporting requirements in 3282.552 (existing Form HUD-302) and proposed 3286.9(a). HUD will accept existing Form HUD-302 to meet the collection requirements in 3282.552 and 3286.9(a), therefore, there is no duplication in the reporting requirements.
5. When the Department promulgates its rules for the Construction and Safety Standards and the Regulations, the Secretary has consistently found that, in accordance with U.S.C. 605, that impact on small entities is insignificant. However, upon completing the final rule for the Installation Program, the Secretary has concluded that there may be a significant impact on small entities during the Regulatory Flexibility Analysis. This impact can be reviewed in the Findings and Certifications Section of the final rule. Numerous alternatives were considered during the development of the final rule. Many of the alternatives were adopted during the development of the final rule to reduce the economic impact on small entities. In addition, many alternatives to the final rule were not accepted due to the statutory requirements of the Act and the importance of educating the consumer during the manufactured home installation process. A complete list of the alternatives can be reviewed in the Final Regulatory Flexibility Analysis that is part of the Regulatory Flexibility Analysis portion of the final rule.

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 installed. The additional items in this submission reflect the need for the Department to administer an Installation Program for manufactured homes in States that do not administer such a program. The proposed labels, notices, instructions, and record keeping are necessary to locate manufactured homes installed improperly. 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.
8. In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on August 21, 2014 (Volume 79, Number 162, Page 49533). No comments were received.
9. There are no gifts to respondents, other than remuneration of contractors or grantees.
10. There is no assurance of confidentiality.
11. There is no sensitive information involved.
12. Burden Hours – Estimated Number of Respondents, Responses, and Burden Hours Per Annum

Manufactured Housing Installation Program Burden Hours Per Annum

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Hours Per Response	Annual Burden Hours	Hourly Cost	Annual Cost	Method of Providing Information
States with Installation Programs								
§3286.805(a) – State Installation Program Certification Form HUD-312	35	1	35	2	70	\$40	\$2,800	Fax Mail Electronic
§3286.807(a) – State Installation Program Recertification Form	35	1	35	1	35	\$40	\$1,400	Fax Mail Electronic
§3286.809(a) – State Voluntary withdraw from administering its own program	35	0.03	1	2	2	\$40	\$80	Fax Mail Electronic
Subtotal	35	2.03	71		107		\$3,920	
Manufacturing Corporations								
§3286.5(c)(2) - Manufacturer's temporary installation instructions	78	1	78	20	1,560	\$75	\$117,000	Fax Mail Electronic
Subtotal	78	1	78		1,560		\$117,000	

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Hours Per Response	Annual Burden Hours	Hourly Cost	Annual Cost	Method of Providing Information
Manufacturing Facilities								
§3286.7(a) -Manufacturer's notice in the consumer manual	125	511	63,875	0.17	10,860	\$15	\$162,900	Hard Copy
§3286.102(a) - Manufacturer providing notice to retailer at time of shipment	125	30	3,750	0.17	638	\$15	\$9,570	Fax Mail Electronic
§3286.102(b) - Manufacturer's notice in the installation instructions	125	30	3,750	0.17	638	\$15	\$9,570	Hard Copy
§3286.103(a)(2) – Manufacturer and DAPIA approval of installation designs and instructions that differ from standard instructions	125	6	750	2.50	1,875	\$75	\$140,625	Fax Mail Electronic
Subtotal	125	577	72,125		14,011		\$322,665	
Retailers in HUD-administered Installation Program States								
§3286.103(a) – Retailer providing installation instructions to the purchaser	340	20	6,750	0.17	1,125	\$15	\$16,875	Hard Copy
§3286.103(b) – Retailer providing installation instructions to the installer	340	17	5,738	0.17	956	\$15	\$14,345	Hard Copy Electronic
§3286.113(a) – Retailer providing additional tracking information to HUD – Form HUD-305(§3286.605)	340	20	6,750	0.25	1,688	\$15	\$25,313	Fax Mail Electronic
§3286.113(b) – Retailer providing installation information to HUD – Form HUD-306 (§3286.605)	340	20	6,750	0.25	1,688	\$15	\$25,313	Fax Mail Electronic
§3286.113(d) – Retailer correcting information (§3286.605)	340	2	675	0.25	169	\$15	\$2,531	Fax Mail Electronic
§3286.113(e) – Retailer record retention requirement (§3286.607)	340	1	340	48	16,320	\$15	\$244,800	Hard Copy Electronic
§3286.405(d) – Retailer notification to subsequent installers	340	0.20	68	0.25	17	\$40	\$680	Hard Copy Electronic
Subtotal	340	80.2	27,071		21,962		\$329,857	
Retailers in non HUD-administered Installation Program States								
§3286.7(b) - Retailer disclosure before sale	5,151	26	135,000	0.17	22,500	\$15	\$337,500	Hard Copy
Subtotal	5,151	26	135,000		22,500		\$337,500	
Installers in HUD-administered Installation Program States								
§3286.111(a)(1) – Installer conducting installation certification – Form HUD-309(§3286.411(a), 3286.507(b))	1,021	7	6,750	0.5	3,375	\$40	\$135,000	Hard Copy
§3286.111(a)(2) – Inspector must verify installation	1,021	7	6,750	3.35	22,613	\$100	\$2,261,250	Hard Copy
§3286.111(b) – Installer providing installation certification to purchaser (§3286.411(b), 3286.507(b))	1,021	7	6,750	0.17	1,125	\$15	\$16,875	Hard Copy

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Hours Per Response	Annual Burden Hours	Hourly Cost	Annual Cost	Method of Providing Information
§3286.207 – Installation license application, w/required information – Form HUD-307	1,021	1	1,021	2.50	2,553	\$40	102,100	Fax Mail Electronic
§3286.211(b) – Installation license renewal	1,021	1	1,021	1.00	1,021	\$40	\$40,840	Fax Mail Electronic
§3286.405(b) – Installer notification of inappropriate site	1,021	0.07	68	0.5	34	\$40	\$1,360	Hard Copy Electronic
§3286.405(c) – Installer notification of failure to comply with MHCSS	1,021	0.07	68	0.5	34	\$40	\$1,360	Hard Copy Electronic
§3286.413 – Installer recordkeeping requirements	1,021	1	1,021	48	49,008	\$40	\$735,120	Hard Copy Electronic
§3286.503(c) –Installer providing instructions to inspector	1,021	7	6,750	0.5	3,375	\$40	\$135,000	Hard Copy Electronic
Subtotal	1,021	30.36	30,199		83,137		\$ 3,428,905	
Trainers in HUD-administered Installation Program States								
§3286.303(b) – Trainers required to keep attendance records	50	1	50	104	5,200	\$15	\$78,000	Hard Copy Electronic
§3286.303(c) – Trainers required to provide completion certificates	50	20	1,021	0.17	170	\$60	\$10,210	Hard Copy
§3286.307 – Trainer registration application, w/required information – Form HUD-307	50	1	50	2	100	\$60	\$6,000	Fax Mail Electronic
§3286.307(c)(2) – Other trainer qualification required (Certification of curriculum)	50	1	50	0.5	25.00	\$60	\$1,500	Fax Mail Electronic
§3286.313 – Expiration and renewal of trainer qualification	50	1	50	1	50	\$60	\$3,000	Fax Mail Electronic
Subtotal	50	24	1,221		5,545		\$98,710	
TOTALS	6,479	838	343,490		148,813		\$4,638,557	

The hourly costs are based on estimates as follows:

The \$15/hr is the approximate cost of an administrative assistant at \$30k per year

The \$40/hr is based on the average rate an installer charges per hour equating to \$80k per year

The \$60/hr is based on the average rate trainers charge per hour equating to \$125k per year

The \$75/hr is based on the average engineer rate equating to \$150k per year

13. Start-up costs include the following non-recurring costs: (1) the initial drafting of disclosures and notices; and (2) the purchase of computers, equipment, and/or filing cabinets used for the collection, processing, or maintaining information. Start-Up Costs - Estimated Number of Respondents, Responses, and Start-Up Costs.

Manufactured Housing Installation Program Start-Up Costs

Information Collection	Description of Cost	Number of Respondents	One-Time Cost	Total One-Time Cost
Manufacturing Corporations				
§3286.7(a) -Manufacturer's notice in the consumer manual	One-time development of the disclosure	78	\$75	\$5,850
§3286.7(a) -Manufacturer's notice in the consumer manual	Initial placement of notice in the consumer manual	78	\$15	\$1,170
§3286.102(b) - Manufacturer's notice in the installation instructions	One-time development of the disclosure	78	\$75	\$5,850
§3286.102(b) - Manufacturer's notice in the installation instructions	Initial placement of notice in the installation instructions	78	\$15	\$1,170
Subtotal		78		\$14,040
Retailers in HUD-administered Installation Program States				
§3286.113(e) – Retailer record retention requirements (§3286.607)	File cabinets and computer disk space	340	\$100	\$34,000
Subtotal		340		\$34,000
Retailers in non HUD-administered Installation Program States				
§3286.7(b) - Retailer disclosure before sale	One-time development of the disclosure	5,150	\$75	\$386,250
Subtotal		5,150		\$386,250
Installers in HUD-administered Installation Program States				
§3286.413 - Installer recordkeeping requirements	File cabinets and computer disk space	1,021	\$100	\$102,100
Subtotal		1,021		\$102,100
Trainers in HUD-administered Installation Program States				
§3286.303(b) - Trainers required to keep attendance records	File cabinets and computer disk space	50	\$100	\$5,000
Subtotal		50		\$5,000
Totals		6,640		\$541,465

14. Estimated cost to the Federal Government

This estimated cost to the Federal Government is based on the average salary of persons working on such tasks as a GS-9 to GS-12 pay grade; we have used a figure of \$29/hour for these salary costs. This figure is also used in the additional paperwork estimates in this office.

Manufacturer information to HUD - 10 hours/week @ \$29.00 per hour = \$290 per week
\$290 per week x 52 weeks = **\$15,080** per year

Retailer installation information to HUD - 10 hours/week @ \$29.00 per hour = \$290 per week
\$290 per week x 52 weeks = **\$15,080** per year

Installation license application - 4 hours per application x 1,021 applications = 4,084 hours
\$29 per hour x 4,084 hours = **\$118,436** per year

Trainer registration application - 4 hours per application x 50 applications = 200 hours
\$29 per hour x 200 hours = **\$5,800** per year

State Installation Program Certification Review
40 hours per plan x 35 plans = 1400 hours per year
\$29 per hour x 1400 = **\$40,600** per year

Grand Total = **\$194,996 per year**

15. This is an extension of a currently approved collection. Industry plants have been closing over the last few year and 35% of the plants have closed. This has resulted in a decrease in program participation. Upon implementation of the Installation Program, installers of manufactured homes will be required to obtain a license and complete training. In addition, manufacturers and retailers will be required to provide HUD with specific information regarding the homes that they sell and install.
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.