

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 37 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.

Industry Practice/Usual and Customary – Under the current regulations, manufacturers can request approval from HUD for alternative construction that will allow certain features of the home to be completed at the home site rather than in the factory. In order to obtain this approval, manufacturers are required to submit certain information to the Department, which must be reviewed and a letter of approval issued to the manufacturer by HUD, before construction of these site completed homes can commence. This includes a review of all data necessary to support the request and a letter from the manufacturer’s Design Approval Primary Inspection Agency (DAPIA) and a list of all models for which the approval is being requested. Manufacturers must agree to abide by all terms of the letter including obtaining the agreement of the IPIA to make the required site inspections in accordance with approved instructions; quality control and inspection checklists and quality assurance procedures; provision of a consumer notice to prospective purchasers; identifying the serial numbers of all affected homes with an AC designation, provision of inspection reports to HUD, IPIA, and the homeowner; and, reporting to HUD the number of homes produced within 90 days of their date of manufacture.

Based on prior recommendations received from the Manufactured Housing Consensus Committee (MHCC), the current Regulations are being revised to add a streamlined procedure that manufacturers will now be able to utilize, in certain circumstances, to complete construction of manufactured homes on-site. This will allow new manufactured homes that are substantially completed at the factory to be completed at the installation

site rather than at the plant, without obtaining advance approval from HUD, when the site completed work will bring the home into conformance with the Manufactured Home Construction and Safety Standards.

Under the revised Regulations, a manufacturer's request for DAPIA approval for on-site completion of construction must be made in writing and be accompanied by all supporting technical and other information required including the IPIA's written agreement to conduct all required on-site inspections, identification of all work to be completed on-site; instructions for completing the work on-site; a list of all models to be produced under the approval; a site inspection checklist; a quality control checklist to verify that all required materials, labels, instructions for site completion are provided in each home prior to shipment; a consumer information notice is provided by the manufacturer that explains the on-site process; and, a quality assurance manual for on-site completion. This information is identical to that currently required and being provided under the current regulations for alternative construction. The DAPIA is required to maintain copies of its approvals under these revised regulations for a period of at least five years.

In addition, the IPIA must review manufacturer final on-site inspection reports and prepare final site inspection reports and notify the manufacturer of its acceptance of the report similar to the process used under the existing regulations, and maintain copies of those reports for a period of five years.

Manufacturers are responsible for satisfactory completion of all on-site construction and any required repairs needed. Manufacturers are also responsible for providing copies of the site inspection report and certifications of completion of the site construction work to the purchaser or lessor and to the IPIA and for providing quarterly cumulative production reports to HUD or its agent as required under the current AC process.

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. Explain any special circumstances that would cause an information collection to be conducted in a manner:

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.

* requiring respondents to report information to the agency more often than quarterly? No, does not apply

* requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it? No, does not apply.

* requiring respondents to submit more than an original and two copies of any document?

No, does not apply.

* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years? No, does not apply

* in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study? No, does not apply

* requiring the use of a statistical data classification that has not been reviewed and approved by OMB?

No, does not apply

* that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use?

No, does not apply

* requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law? No, does not apply.

8. In accordance with 5 CFR 1320.8(d), the agency's notice for public comments was announced in the *Federal Register* on Thursday, July 13, 2017 (Vol. 82, No. 133, page 32373). No Comments were received.

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), and previously consulted with an obtained recommendation from the MHCC with regard to the revisions to the Regulations for on-site completion of construction.

With the manufacturer – *Skyline Corporation*, 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 *Florida* IPIA, HUD shared the current time estimates and was advised that the current time estimates were representative.

With the *California'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	Burden Hours Per Response Industry Practice	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Consumer Info. Cards	123	460	56,580	0.5		28,290	\$33.00	\$933,570
SAA Reports	37	12	444	0.64		284	33	9,372
State Plan (Update)	8	1	8	40		320	33	10,560
IPIA Reports	15	152	2,280	0.5		1,140	33	37,620
Manufacturers Records	123	460	56,580	0.16		9,053	33	298,742
Consumer Manuals	123	460	56,580	0.1		5,658	33	186,714
Appliance/Utility Labels & Notices	123	460	56,580	0.2		11,316	33	373,428
Smoke Alarms	123	460	56,580	0.1		5,658	33	186,714
Whole House Ventilation Instructions	123	460	56,580	0.01		566	33	18,678
Whole House Ventilation Label	123	460	56,580	0.01		566	33	18,678
Centerline Support Locations	123	300	36,900	0.03		1,107	33	36,531
Data Plate ^{1, 2}	123	460	56,580	1.0		56,580	33	1,867,140
SUBTOTALS	181		59,304			120,618		3,980,387
Industry Practice/Usual and Customary								
Installation Instructions ³	80	1	80	1		80	33	2,640
Request for DAPIA Approval	50	1	50	60	3000			
IPIA Written Agreement to Make Inspections	50	1	50	0.2	25			
Work Completed On-site	50	1	50	1.0	50			
Checklists	50	45	2250	0.1	225			
Model List	50	45	2250	0.1	225			
Quality Assurance Manual for On-Site Completion	50	45	2250	0.5	1125			
Manufacturer Inspection Report	50	45	2250	0.5	1125			
Site Completion Instructions	50	45	2250	1.0	2250			
Consumer Notice	50	45	2250	0.25	563			
IPIA Inspection Reports	50	45	2250	1.0	2250			
Copy Reports	50	45	2250	0.5	1125			
Maintain Reports	50	45	2250	0.25	563			
Report Serial Numbers	50	45	4200	0.5	2100			
Site Work Certification	50	84	2250	0.2	45			
Quarterly Production Reports	50	4	200	1.0	200			
TOTALS⁴	181		86,354		14,871	120,618		3,980,387

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

14. Estimated cost to the Federal Government

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 (37 SAAs, 15 IPIAs, 6 DAPIAs, 123 Manufacturers).

The hourly cost per response reflects the average hourly wage paid for a federal employee who is typically a GS-11.

15. This is a revision 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.
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.