

Pre-built Homes: Manufactured Housing and Standards



The term "manufactured home" was adopted in 1980 by the United States Congress to describe a type of house that is constructed in a factory to comply with a building code developed by the Department of Housing and Urban Development (HUD). In the past, manufactured homes were called "mobile homes," a term that many people still use. However, "mobile" is no longer an accurate name because fewer than five percent of such homes are ever moved off the owner's original site.

WARRANTIES & OTHER PROTECTIONS FOR THE HOME PURCHASER

Federal standards and written warranties protect buyers of manufactured homes. Every manufactured home now offered for sale has a small red and silver seal that certifies that the home has been inspected during construction and meets federal home construction and safety standards. These standards were developed to assure a suitable level of performance in every manufactured home constructed in the U.S. Such standards, together with the manufacturers' warranties, serve to protect you -- the home buyer.

FEDERAL CONSTRUCTION AND SAFETY STANDARDS

Since mid-1976, all manufactured homes have been constructed to meet the federal building standards adopted and administered by the U.S. Department of Housing and Urban Development. This national code is called the National Manufactured Home Construction and Safety Standards. The code regulates manufactured home design and construction, strength and durability, fire resistance, and energy efficiency. It also prescribes the performance standards for the heating, plumbing, air conditioning, thermal, and electrical systems. The National Manufactured Housing Construction and Safety Standards Act also requires that you receive a home owner's manual when you buy your home. This manual will explain, among other things, what to do if something goes wrong with your home. Some of the important subjects covered in the home owner's manual include general maintenance, safety (including a fire safety checklist), and state agencies involved in enforcing the federal manufactured home standards.

THE MANUFACTURER'S WARRANTY

Warranties vary among different manufacturers. Ask to see the warranties on the manufactured homes that interest you and compare them before you buy. All retailers are required to have copies of the manufacturers' warranties that are offered on the homes they sell, and they will make them available to you if you ask to see them. By reading the warranty before you buy your home, you can make sure the home you buy is covered by the kind of warranty protection you want.

When you buy your manufactured home, you will receive the manufacturer's written warranty from your retailer. The manufacturer's written warranty usually covers substantial defects in workmanship in the structure; factory-installed plumbing, heating, and electrical systems and factory-installed appliances (these also may be covered by appliance warranties). It is important to understand that the manufacturer's warranty will not provide coverage for problems resulting from lack of proper installation or maintenance, accidents, owner's negligence or unauthorized repairs. Therefore, to make sure that your home's warranty will be honored carefully follow the manufacturer's instructions for installing, maintaining, and repairing your home. In many cases, the retailer will perform service under the manufacturer's warranty.

However, it is the manufacturer who has the final responsibility. Be aware that if the retailer must order parts from the manufacturer to make a warranty repair, shipping and delivery of those parts may affect the amount of time it takes to get service. Before you buy your manufactured home, ask to see the written warranties offered on the homes the retailer sells. Manufacturer's warranties cover many, but not all, types of potential problems.

The answers to the following questions should help you get the kind of warranty protection you want:

- What warranties come with the manufactured home? You may get warranties from the home manufacturer, the retailer, the transporter, the installer, and the appliance manufacturers.
- What exactly does each of these warranties cover? What do they not cover?
- Do the manufacturers or retailer's written warranties on the home cover transportation and installation? If not, are installation and transportation covered by separate written warranties?
- How long do the warranties last and how do you get warranty service?
- Who will provide service under the warranties and where will the warranty service be performed?

Consider these important questions about warranty coverage before you decide which home to buy. Implied warranties are unspoken, unwritten promises created by state law. Ask to see all warranties in writing. Make sure you understand who offers the warranty, which performs the service, and what is and is not covered before selecting and buying your manufactured home. In addition to any written warranty offered by the manufacturer, you may have certain "implied warranties" when you buy a manufactured home. An implied warranty is an unspoken, unwritten promise that a product is fit to be sold and used for its intended purposes--for example, that a manufactured home is fit to be sold and lived in. These implied warranties protect you even if no written warranty is offered by the manufacturer or retailer. Most states allow sales that exclude implied warranties ("as is" sales). However, some states do not permit a seller to exclude or limit implied warranties. Contact your state or local consumer protection office to ask about implied warranty protections in your state. When buying a manufactured house, especially a used one, make sure you know whether it is being sold "as is" -- with no implied or written warranty.

THE RETAILER'S WARRANTY

A retailer may offer a written warranty on a home. Written warranties are not alike. But, typically, the retailer's warranty will tell you the terms of the warranty, what you must do to keep the warranty in effect, what you can reasonably expect from the retailer, and that the home has been installed according to manufacturer specifications and local regulations. The warranty also will guarantee that the home has a HUD inspection seal and that optional appliances and equipment have been properly installed. Remember, ask to see the retailer's warranty before buying to check on what it does and does not cover. You should know that a retailer's warranty will not provide coverage for problems that arise from owner's negligence, failure to provide proper notice for service, and unauthorized repairs.

APPLIANCE WARRANTIES

The appliances in your home also will be covered by warranties. In many cases, these warranties, along with use and care manuals, are provided by the individual appliance manufacturers. In addition, some states require that the home manufacturer's warranty cover the appliances that come with your home. Read the appliance warranties and note the duration and terms. In addition, check instructions in the warranty about how to get service. In most cases, the quickest service can be obtained from the appliance manufacturer's authorized service centers. Check the use and care information on the appliance warranties for a list of such service centers or service agents. However, if warranty service is not available from the appliance manufacturer or its servicer, contact your retailer for assistance. The home manufacturer's warranty, if any, may provide warranty service for your problem. The retailer may offer a written warranty, but not everything will be covered.

PLACEMENT & SELECTION OF YOUR MANUFACTURED HOME

Manufactured homes offer a wide variety of styles and prices. There is a manufactured home to fit almost every pocketbook. Some models are designed for those whose budget limits them to a lower-cost home. Other models have such higher-priced features as cathedral ceilings, formal dining rooms, and wood burning fireplaces. The home can be a single-section unit or a larger multi-section unit. Multi-section homes come from the factory in two or more parts that are joined at the site. A single-section home comes from the factory as one complete unit. With more than 150 companies building manufactured homes in more than 400 factories, and with manufactured home sales centers located throughout the United States, you have an opportunity to choose from a wide variety of home styles.

PLACING YOUR MANUFACTURED HOME

Before you select and buy your home, you should decide where it will be located. There are three basic options you can consider. First, you could plan to place your manufactured home on land you own or intend to buy. If you choose this option, you must consider zoning laws, restrictive covenants, and hookup regulations. Such restrictions may prevent you from placing a manufactured home on a particular piece of land. Second, you could plan to place your manufactured home on a leased home site in a manufactured housing development, in which case the company managing the development will normally take care of these considerations. Third, you could decide to buy a home already on a home site in a planned community. Then, of course, you would not be faced with the typical placement concerns.

PLACING YOUR HOME ON YOUR OWN LAND

If you own or plan to buy land for your manufactured home, there are several matters you should consider. Zoning- in cities and suburban areas, and in some semi rural areas, you may face zoning requirements that must be met. In certain areas, there may be a prohibition against manufactured homes, or certain requirements regarding their size and exterior appearance. You can find out if there are any restrictions or requirements by contacting the local community's planning and land use department. Consult your local telephone directory for the office nearest you. Restrictive Covenants- limitations in property deeds that control how you can use the land. These may include a requirement that homes are a certain size or a prohibition that lands not be used for certain purposes. The title search, conducted when you buy the land may reveal information about such restrictions. Sometimes, however, the restrictions are described in ways that are difficult to understand. You may want to check with an experienced real estate attorney to see if there are any restrictive covenants that would keep you from placing your home on the land you are considering. Utilities- although a manufactured home comes complete with plumbing, electrical, and heating systems, it must, like all homes, be connected to electrical, water, and sewerage facilities. If your site is in a well-developed area, all necessary utilities may be available, subject to connection charges. Find out exactly what utilities are available and how much it will cost to connect your home to all utility sources. Contact your local public utilities division for information about utility services in your area. Make sure the applicable zoning laws and the deed on your land will allow a manufactured home to be placed there.

There are a number of important questions to consider when placing your manufactured home in a rental community.

- **Electrical Facilities** - Electricity is usually available in all areas. But if the area where you plan to live does not have ready access to electric power, connection could be quite expensive. Check with the local power company to find out whether electricity is readily accessible.

- **Water Facilities** -. In many locations, there may not be local government-supplied water lines. If there is no water, you may have to drill a well. Do not assume that all drilling will provide water. Check with a local well-drilling company about costs and whether success is guaranteed. Also, check with local health authorities to make certain there are no problems with the quality of the water in the area.
- **Sewerage Facilities** - Many areas still rely on septic tank systems. If you cannot connect your home to a sewerage system, you must check with local authorities about installing a septic tank. Sometimes they cannot be used. For example, where the soil is not able to absorb the discharged waste. For more information, contact the local health department or the office responsible for granting building permits.

PLACING YOUR HOME IN A RENTAL COMMUNITY

You may want to place your home on a leased site in a community especially planned for manufactured housing. Placing your home in such a community usually involves fewer practical problems. If you are interested in a rental community, visit the ones in the area where you wish to live. In addition, some manufactured home retailers may operate their own rental communities, so you may wish to ask the retailer for information and advice about them. Find out what each community offers and the differences among them, including the financial aspects, such as rental and installation costs and any miscellaneous service charges. There also are several questions you will want to ask before deciding upon a particular rental community.

- Is a written lease required and, if so, for how long?
- What are the charges for utility connections or other services?
- Do the community's rules require that it be responsible for installing your home, or can you let your retailer do the job?
- What charges will be made for installation? Who will be responsible for ground maintenance, snow removal, refuse collection, street maintenance, and mail?
- What are the community's rules and regulations? Can you accept and live with such rules?
- Are there any special requirements or restrictions when you sell your home?
- Are there any provisions to protect you if the owner of the manufactured home community where you lease your home site sells the property for another purpose?

BUYING A MANUFACTURED HOME IN A PLANNED COMMUNITY

You may consider to buy a home that already is located in a planned community. As with a rental community, there are fewer practical problems involved because you do not have to concern yourself about placement. Check into the costs, services, and rules of any planned community before you buy. Consider matters such as who is responsible for utility connections, any restrictions on resale of your home, and whether you can live with that community's rules.

CHOOSING A MANUFACTURED HOME

There are several matters you may want to consider when choosing a home. How do I want my home to look? You may select from a variety of exterior designs, depending upon your taste and your budget. External siding options come in a variety of colors and materials including metal, vinyl, wood, or hardboard. You also may select such outside design features as a bay window, a gable front, or a pitched roof with shingles. Awnings, enclosures around the crawl space, patio covers, decks, and steps also are available. What size home and floor plan do I want or need? Manufactured homes are available in a variety of floor plans that include spacious living rooms, dining rooms, fully equipped kitchens, one or more bedrooms, family rooms, and utility rooms. Depending upon your needs and the size of your lot, you can choose a single-section home plan or a larger multi-section design. Homes range in size from 400 to 2500 square feet.

Check state laws- they may limit the movement of your home after installation. If there is a chance that you might relocate your home to another state, find out about state laws covering transportation of manufactured homes. Some states, particularly eastern states, have certain regulations, such as weight, size, or width limitations, that may prevent you from moving your home. Before you purchase, check with the appropriate authorities in the states through which you may want to transport your home. If you do move your home you will be faced with extra expenses. Besides transporting costs, which include licensing fees to take your home through a state, you again will have the cost of foundation construction, installation, and utility hookups.

What interior options and features are available? Manufactured homes have many options and features for a variety of floor plans. You also can choose color and quality options for carpets and wall coverings and you can choose other features such as custom cabinets, window designs, and wood-burning fireplaces. Some home models and manufacturers offer more custom options than others. Ask your retailer what options are offered on homes they sell.

What appliance packages are available? Most manufactured homes are sold with a refrigerator and range. But some appliance packages may include microwave oven, trash compactor, garbage disposal, washer/dryer, and built-in indoor grill. Central air conditioning also is an option. Be sure your energy package is designed for the climate zone where your home is located.

What energy-efficiency options are available? The National Manufactured Home Construction and Safety Standards require separate energy efficiency levels for the three different temperature zones of the United States. However, you may wish to increase your home's energy efficiency. There are a variety of optional energy packages available, such as increased insulation, double- and triple-glazed windows, sheathing products, self-storing storm windows, and "high-efficiency" water heaters, furnaces, refrigerators, and air conditioners. Ask your retailer about available energy-saving features and their costs. You especially should note the "heating certificate," which specifies the temperature zone for which the home is designed, and the "comfort cooling certificate," which specifies the appropriate central air conditioning system for the home. Both certificates are located on the inside of the home. You should not place your home in a climate zone for which it was not designed.

What written warranty coverage is offered on the home, its transportation, and its installation on the home site? Nearly all manufacturers offer a written warranty on the home itself. There are, however, important differences among warranties. For example, manufacturers' warranties may exclude coverage of installation and transportation (although reliable retailers or contractors usually offer written warranties on these services). Although you may never need such warranty services, it is a good idea to check the coverage of any warranties that are offered before you buy.

BUYING A MANUFACTURED HOME

Most likely you will buy your home from a retail sales center, although today, in some states, you also could buy your manufactured home from a real estate agent if the home is already located in a community. Some retail sales centers are owned and operated by a home manufacturing company, but most retail businesses are independently owned and operated. They sell homes built by several manufacturers. You should use as much care in choosing your retailer as you do in choosing your home and its features. This is because the retailer will help you choose your home and, if you wish, custom order it from the factory. In addition, the retailer usually will be the one responsible for having your home delivered and installed. The retailer also may arrange for financing and insurance for your home. Finally, after you move into your home, your retailer often will be the person you contact for warranty service.

One of the best ways to find a reputable retailer is to talk with friends who live in manufactured homes and get their recommendations. You also might ask them to recommend a home manufacturer. You may wish to contact your local Better Business Bureau to find out if a particular retailer or manufacturer has a record of unsettled or unresolved complaints on file. You also may wish to contact your state manufactured home association and request the names and addresses of manufacturers or retailers in your area. Compare warranties offered by various manufacturers and retailers.

SITE PREPARATION, TRANSPORTATION & HOME INSTALLATION

Proper site preparation and installation are necessary for comfort, durability, and correct functioning of your home. Make sure the transporting company warrants its services in writing. Before your home is installed, you must ensure that the site has been prepared properly. If you are placing your home on your own land, your retailer can provide advice on how to prepare the site. If you will be living in a rental community, the community manager will probably take care of site preparation. Before signing your lease, ask about this and any other costs.

SITE PREPARATION

If you are having your home installed on your own land, you are responsible for site preparation. However, it is a good idea to ask your retailer (or whoever is going to install your home and warrant the installation) to inspect the site prior to installation to make sure that everything has been prepared properly. Here are some guidelines that must be followed in preparing the site:

- The site must be accessible by the truck transporting your home.
- The site must be as level as possible.
- The precise site area must be cleared of trees, rocks, and any other surface debris.
- The soil must be graded and sloped for water runoff.
- The soil must be compacted so that the foundation will not sink or shift on loose earth fill.

Although you may be able to do some work yourself, such as removing trees and shrubs, most site-preparation tasks, such as grading and compacting the soil, require technical expertise. You will need to contract for expert assistance to ensure that your home is installed on firm land that adequately drains.

TRANSPORTING YOUR HOME

In most instances, your home will be transported first from the factory to the retail sales center. At the center, your retailer will use a checklist to make sure your home arrived undamaged, and if any problem occurred while your home was being transported from the factory, it will be repaired before delivery to your home site. If any damage occurs while the home is being transported to your site, the company transporting your home is usually responsible. Therefore, you should check for damage as soon as your home is delivered. If you find any damage, contact the transporting company immediately. If you allow your home to be transported by a company that does not provide a written transportation warranty, it may be difficult to obtain free repairs, if any are necessary. Therefore, before you purchase your home, make certain that the transporting of your new home is protected by a written warranty.

INSTALLING YOUR HOME

After you have chosen the retailer and your home, have complied with local building and zoning requirements, have obtained state inspections when necessary, have properly prepared the site, and have gotten good warranty protection on the home and its transportation and installation, you are ready to have your home installed on a home site. This also requires careful attention.

Every manufacturer is required by the federal standards to provide instructions for installing your home. However, the actual installation typically is not within the manufacturer's control. Therefore, the installation of your manufactured home is not covered by the manufacturer's warranty. These cautions are not designed to worry you, but rather to alert you to the importance of installation. Hundreds of thousands of manufactured homes are installed on sites each year without major problems. You should not have problems if your home is installed by a reliable retailer or by a company that specializes in manufactured home installation. Check for damage as soon as you receive your home and report any problems to the retailer or transporter as soon as possible. The manufacturer's written warranty on the home usually will not cover problems that are caused by improper installation. Usually, the retailer will install your home or contract with a professional installation crew to do the work. In most cases, the price of your home will include the cost of installation by such qualified professionals. Be sure to check this with your retailer before you sign the sales contract. If installation is not included in the price, you may have to contract with a separate company to install your home. Ask your retailer for the names of such companies.

Clarify in writing what installation services are provided, who is providing them, and who warrants the work. The retailer should spell out in writing the full scope of installation services that are included in the price of your home. This should assure you that everything is covered and that there will be no misunderstandings about who is responsible for what. Regardless You should follow several guidelines.

- Discuss with the contractor the steps involved in installation so you understand them.
- Have the contractor write these steps into the contract.
- Ask if there is a written warranty covering your home's installation or ask to have it put in writing.

By following these guidelines, you will know exactly what you are paying for, how to check your home to see that the work has been done properly and, equally important, what kind of warranty protection covers each step. Installing your home involves six steps. The price of your home usually includes all of these steps. Therefore, ask to see an itemized list in writing before signing the contract to purchase your home.

1. Transporting Your Home From the Retailer's Sales Center to Your Home site.

The manufacturer normally is responsible for transporting the home from the factory to the retailer, and the retailer is usually responsible for getting the home to your land. However, if the roads are not adequate or there are obstacles that will make it difficult to get the home to your site, your retailer may be unable to accept responsibility for delivering your home. Be sure to check the route to your home site for such things as low-hanging tree limbs and loose rocks.

2. Constructing a Foundation for Home Placement.

In addition to following the manufacturer's instructions and complying with local law, find out if the institution financing your home (or the rental community in which you place your home) has foundation requirements. The Federal Housing Administration (FHA) and Veterans Administration (VA) also have special foundation requirements. Remind your retailer about the kind of financing you are using so that all applicable foundation requirements will be met. If you place your home on your own property, you have the option of choosing from a number of different foundation types. Several types of foundations are available, from concrete slabs to full basements. Remember, local codes reflecting the different climates and soil conditions must be followed. A professional installer will know which foundation codes are required by local law or what is required by your financing institution.

3. Leveling Your Home.

It is essential that an experienced crew installs your home to assure that it is leveled correctly. Leveling is one of the most important steps in setting up your home. It must be done according to the manufacturer's specifications. If your home is not level on its foundation, the weight of the home will not be distributed evenly. Poor leveling could result in such problems as doors that do not open and close easily or floors or walls that buckle. If any of these problems do occur because your home was not properly leveled, the manufacturer's warranty will not cover the repairs. Remember, the manufacturer's warranty only covers problems resulting from faulty construction. Insist on walking through the home before the installation crew leaves to check for signs that your home may not be level. Leveling is critical and must be performed by a professional crew. Walk through your home before the installation crew leaves to assure that the home is level. After installation has been completed and you have checked out the installed home, it is very important to periodically recheck the leveling of your home. This is important because, over time, such things as foundation supports may settle unevenly and create an un-level condition. Such conditions can, in extreme cases, cause serious damage to the walls and floors. Normally, you should recheck leveling about 60 to 90 days following installation and, perhaps, once a year after that.

4. Securing Your Home to the Foundation.

It is not sufficient merely to place your home on a properly constructed foundation. There are certain minimum requirements that should be met. To ensure that your home does not shift and become damaged, it must be anchored to the ground according to the manufacturer's instructions or as required by local codes. Anchoring should prevent severe winds from damaging your home. Although your home will come with instructions for properly securing it to its foundation, anchoring is not a do-it-yourself project. Talk with your retailer about anchoring, and be sure that your home's installation includes this very necessary step. Anchoring your home to the ground should be done by experts.

5. Finishing Your Home.

Once your home is secured to the foundation, finishing work may be needed, such as an enclosure around the crawl space or landscaping. If your home is a multi-section, finishing may include applying molding and joining carpet on the interior or completing work on the exterior siding.

6. Connecting Your Home to Utilities.

Installation services should include connecting your home to the necessary water, electrical, gas, and sewerage lines. If this is not included in your installation price, you will have to contract for these services yourself. Your retailer can tell you how to make arrangements for utility connections. Alternatively, you can obtain the information from the local government agency that oversees building permits.

INSPECTION OF YOUR NEW MANUFACTURED HOME

When you take possession of your new home, the first thing to do is to check it over thoroughly. It is important to discover problems early and report them to the retailer or the installer within the warranty's time limits.

INSTALLATION INSPECTION

First, check to see that your home was installed properly. If you are present during installation, ask the installation crew manager to walk through your home with you to assist in identifying problems and to answer your questions. Open and close all interior and exterior doors. If a door does not open and close smoothly, it may indicate a need for a minor hinge adjustment, but it also may be a sign that the home is not level. Immediately call this to the attention of the person responsible for installation. Also, examine the entire house. Look at the walls, the floors, and the ceilings. Be certain that all faucets and appliances work.

GENERAL INSPECTION

You will want to make your inspection of the home in an organized way. A good strategy is to inspect the outside of your home first and then check the interior, carefully going through each room. Many manufacturers provide a checklist in the owner's manual of items you should inspect. You should fill out the checklist and return it to the manufacturer as soon as possible. As you make your inspection, jot down on paper every item you think requires service. When you are finished, make copies of the list -- one for you, one for your retailer, and an extra copy for the manufacturer. It is also a good idea to put the date of your inspection on the list. Carefully inspect your home for any problems as soon as it is installed; make sure that it is level-check doors, windows, and drawers. *Remember that installation is the key to durability and proper functioning of your home.

COURTESY OF AFFORDABLE HOME INSPECTIONS

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