

SUBJECT: Requiring postings on used manufactured homes before sale

COMMITTEE: Licensing and Administrative Procedures — committee substitute recommended

VOTE: 6 ayes — Smith, Kuempel, Geren, Guillen, Miles, S. Thompson
0 nays
3 absent — Gooden, Gutierrez, Price

WITNESSES: For — Emily Rickers, Alliance for Texas Families

Against — (*Registered, but did not testify*: D. J. Pendleton, Texas Manufactured Housing Association)

On — (*Registered, but did not testify*: Joe Garcia, Manufactured Housing Division, Texas Department of Housing and Community Affairs)

BACKGROUND: Occupations Code, sec. 1201.162 requires purchasers of manufactured homes to sign a written disclosure detailing the costs and obligations associated with purchasing a manufactured home.

DIGEST: HB 2210 would require the posting on the door of a used manufactured home the home's ownership, location, and any information held by the Texas Department of Housing and Community Affairs regarding tax liens on the home. This information would be printed on paper or other material at least 8 1/2 by 11 inches, laminated or enclosed in protective covering, and attached to the door of the home. A retailer would not be able to sell, exchange, or lease-purchase, or negotiate for a used manufactured home without attaching this information for the duration in which the home is offered for sale.

The bill would take effect September 1, 2013.

SUPPORTERS SAY: The bill would offer a simple fix for a consumer scam in which manufactured home retailers sell homes without clear titles. The benefits of the bill would be twofold: The notices would inform consumers of existing finance or tax liens before purchasing the home and would direct

consumers to the Department of Housing and Community Affairs website, which contains a comprehensive database of information helpful to purchasers of manufactured homes.

HB 2210 would not create a new cause of action or penalty, leaving enforcement to the discretion of the department.

The written disclosure that a retailer now is required to provide a buyer at least 24 hours before entering into a sales agreement does not provide enough notice of a lien on a home. That information should be readily available when the consumer looks at the home the first time, and should not be included in the fine print of a document only a day before closing on the final sale.

**OPPONENTS
SAY:**

The bill would be redundant. Retailers of manufactured homes already are prohibited from selling a home without a clear title, and they would be liable for enforcement action for doing so.

Also, this bill could hold liable retailers of used manufactured homes whose notices were ripped or had fallen or blown off the door of a home. This is a particular concern because some used manufactured homes may sit unsold for many months.

**OTHER
OPPONENTS
SAY:**

This information should be included in the consumer notice already required by Occupations Code, sec. 1201.162, which must be read and initialed by the buyer of a manufactured home one day before the purchase is finalized. If the information were included in that document, the department could be sure the homeowners had actually read and understood the information.