

PLEASE NOTE: The following is a brief summary of the minutes of the North Carolina Manufactured Housing Board meeting of October 21, 2003. (The official record is recorded and maintained on tape.)

MINUTES OF THE
NORTH CAROLINA MANUFACTURED HOUSING BOARD
October 21, 2003

RALEIGH, NORTH CAROLINA

Tim Bradley chaired the October 21, 2003 meeting. Members of the North Carolina Manufactured Housing Board present were: Wesley Layton, Troy Brickey, Clark Crowther, Linda Willey, J. P. Cauley, Dennis Jones and Danny Chandler. Owen Tharrington was not present. Others in attendance were as follows:

Gail Brown, NC Manufactured Housing Institute (NCMHI)
Steve Zamiara, NCMHI
Frank Gray, Attorney representing NCMHI
Brad Lovin, NCMHI
Bobby Alberts, NCMHI
Randy Miller, NCMHI
Russell Duncan, NCMHI
Richard Grooms, Set up Contractor
Karen Grooms, Set up Contractor
Jon Powell, Attorney for Lamar Holden
Lamar Holden, Set up Contractor
Donna Holden
Alfred Ripley, NC Justice Center (NCJC)
Chris Estes, NC Low Income Housing Coalition (LIHC)
Rob Schofield, NC Justice Center
Sonny Bannister, Royal Homes
Steve Smith, NC Department of Insurance (DOI)

1. Chairman Bradley called the meeting to order.

2. **New Board Member**

The oath was administered to Dennis L. Jones, the manufacturer representative to the Board as the newest Board member.

3. **Minutes:**

Minutes of the July 15, 2003 and September 4, 2003 meetings respectively were reviewed. Motion was made and seconded to accept these minutes as written. Motion passed.

4. **Hearings:**

- A. **NCMHB vs Fleetwood Home Center, License #6470 and Anthony Day, License #10550 (MHB FB 7 & 8-2003) – Falsifying Certificate of Occupancy.** Continued until January 20, 2004.
- B. **NCMHB vs. Lamar Holden, License #2936 (MHB FB 10-2003) – Improper set-up of manufactured homes by improper installation of anchors and utilizing cut off anchors and improper strapping.** Hazel Stephenson introduced the file and deferred to Pat Walker. Mr. Walker was sworn in and introduced the cut off anchors. Attorney Jon Powell represented Mr. Lamar Holden. Holden was called to stand and sworn in. Mr. Holden testified he was contracted to pull home. The home was being evicted from a park it was located in. After entering into the contract, Mr. Holden stated that he broke his ankle and was unable to work. He sub-contracted with someone else to set up the home for him who was not licensed but used Mr. Holden's number to get permit. Mr. Holden testified that there was some delay after he received the permit. Mr. Holden testified that he was never notified of discrepancies by either the County or State until he received the Notice of Hearing. Mr. Holden testified upon receipt of Notice of Hearing, he went back and redid the entire home and the home has been reinspected and it has passed inspection. Mr. Holden testified that anchors were already in dirt and this was not his style of work. Mr. Holden testified that he has set approximately 110 manufactured homes during this year; he and his wife have taken their continuing education course. Mr. Holden responded to question from the Board. The Board advised they would meet in Executive Session and all parties would be notified as to their decision.
- C. **NCMHB vs. Richard Lamar Grooms, Jr., Richard Bass Mobile Home Moving(MHB FB 13-2003) – Application for set-up contractor license – Criminal Convictions.** Hazel Stephenson introduced to file. Mr. Grooms testified and responded to questions of the Board with regards to past convictions. The Board advised they would meet in Executive Session and all parties would be notified as to their decision.

5. **New Business:**

- A. **BTAG Properties, Inc. Greg Story, License #6635:** Request for Release of Cash Bond. The staff received a request from Greg Story for the release of his cash bond. Hazel Stephenson introduced the file, Mr. Story not present.

6. **Update of Action from July 15, 2003 Board Hearings:**

NCMHB vs Fleetwood Home Center, License #6470 and Anthony Day, License #10550 (MHB FB 7 & 8-2003) – Falsifying Certificate of Occupancy. Continued until January 20, 2004.

NCMHB vs. Lamar Holden, License #2936 (MHB FB 10-2003) – Improper set-up of manufactured homes by improper installation of anchors and utilizing cut off anchors and improper strapping. Continued until October 21, 2003.

NCMHB vs David Lee Brown, (MHB FB 11-2003) Application for Sales License with pending bond claims. Salesman license issued with stipulations.

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NCMHB vs. Timothy L. Parker, (MHB FB 12-2003) Application for Sales License with Bond claims filed. Salesman license issued with provisions.

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7. **Old Business:**

A. **Criminal Record Check**

Hazel Stephenson reported that she, Pat Walker and Karen Holden had met with the SBI and have started the process to initiate a contract between the SBI and MHD for the processing of fingerprint cards for applicants. Frank Gray advised that MHI wished to work with the staff to establish rules for the implementation of this part of the statute. LaShawn Strange, Board attorney, advised this part of HB 1006 was effective January 1, 2004. Proposed rules will need to be presented and adopted. Board members requested Hazel Stephenson check with Real Estate Commission to see if they require fingerprint cards by statute and what their procedure is for criminal record checks for applicants. Chairman Bradley advised staff to provide a copy of the real estate law regarding this.

B. **Development of the Consumer Disclosure Notice and Handout**

Pat Walker read the action statement for this item. The statute requires the notice to be posted at retail lots and provided to consumers. Wesley Layton, chair of the committee, gave his report. Al Ripley of the NC Justice Center also addressed the Board regarding this matter. He stated that he and Low Income Housing Coalition wished to be included in the development of the posters and consumer notice. Chairman Bradley advised the committee to meet and bring the proposed notice to the January board meeting.

C. **Development of Consumer Deposit Rules**

Danny Chandler, chair of this committee, gave the Board a report. The effective date of this section is October, 2003. Frank Gray, representing NCMHI, spoke regarding the existing law. At the current time, if the consumer cancels the contract within the 3 day period, they are entitled to a full refund. If the cancellation is after the 3 day period, the dealer is entitled to retain only actual damages. Mr. Gray advised MHI is very interested in working the Board in development of these rules but they are opposed to the development of escrow and or trust accounts to hold the deposits. He advised the Board that the terms escrow and trust were in the originally presented bill but the legislature had removed those terms from the bill. Gray states the intent of the law was not separate escrow accounts. Strange discussed the problems with deposit money being included in bankruptcy action. The Board asked the staff if there was a way to separate the deposit cases from warranty cases when filing bond claims to assure a more speedy resolution of the deposit cases. Staff advised the bond company will not pay out any money until they are sure all the claims have been received and then, to protect themselves from lawsuits, the claims are disbursed only with regard to the total amount of the individual claims. The type of claim is not considered. Al Ripley advised NCJC and LIHC had worked hard to get the law passed. Protection of the consumer deposit was the reason for the introduction of this bill. Sonny Bannister and Randy Miller, retailers, addressed the Board stating some of their concerns with the method of implementation of this

statute. The committee is to bring their proposal back to the Board at the January Board meeting.

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D. Continuing Education

Pat Walker updated the Board and provided Board members with proposed rules. Walker explained the APA rules approval process.

E. Discussion of Possible Licensing under the Department of Insurance of persons providing Finance, Insurance; and/or Construction Management Services for the sale of Manufactured Homes

Gail Brown, President of NCMHI, addressed the Board. She explained background for this request to the Board. Brown requested this matter be tabled. She advised NCMHI is working closely with LIHC on this issue. The Board agreed to table the issue.

F. Discussion as to whether or not Manufactured Housing Retailers should also be licensed as a Set Up Contractor if they set up homes which they sell.

After discussion of this issue, Pat Walker will prepare an article for the Commissioner's approval regarding set up contractor/dealer relationship and the licensing requirements of both. Once approved by the Commissioner, the article will be submitted to NCMHI for publication in their industry newsletter.

Other issues were discussed by the Board. Of special interest to some Board members was the implementation of a late filing fee for persons not submitting their renewal applications on time. The staff was requested to check with some other states for information regarding late filing fees and bring that information to the January Board.

C. Patrick Walker, P. E.
Secretary, N.C. Manufactured Housing Board

BOARD'S DECISION
October 21, 2003

Hearings:

A. **NCMHB vs NCMHB vs Fleetwood Home Center, License #6470 and Anthony Day, License #10550 (MHB FB 7 & 8-2003) – Falsifying Certificate of Occupancy. Continued until January 20, 2004.**

B. **NCMHB vs NCMHB vs. Lamar Holden, License #2936 (MHB FB 10-2003) – Improper set-up of manufactured homes by improper installation of anchors and utilizing cut off anchors and improper strapping.**

Motion was made and seconded Lamar Holden is fined \$500.00 and letter of probation for one year.

Motion carried.

C. **NCMHB vs. Richard Lamar Grooms, Jr., Richard Bass Mobile Home Moving(MHB FB 13-2003) – Application for set-up contractor license – Criminal Convictions.**

Motion was made and seconded to issue set-up contractor's license.

Motion carried.

D. **BTAG Properties, Inc. Greg Story, License #6635: Request for Release of Cash Bond.**

Motion was made and second to release cash bond.

Motion carried.