

MEMORANDUM

DATE: July 13, 2009 (Updates May 1, 2006 memo)

TO: Third Party Inspection Agencies, Building Officials, Modular Manufacturers, Modular Set-Up Contractors, and Other Interested Parties

FROM: Alan D. Greene, P.E.
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RE: Repair of Damaged Modular Buildings

This memorandum will cover procedures which are acceptable to the NC Department of Insurance *for the repair of properly labeled modular units that have left the manufacturing facility and have incurred significant damage (transportation, water damage, etc.) prior to the issuance of a Certificate of Occupancy*. The presence of NC Modular Validating Stamp(s) in a unit certifies that the *factory-built portion* of the project has been produced by a manufacturer that is certified under the NC Modular Program and that the *factory-built portion* has been inspected by an approved Third Party Certification Agency. The *factory-built portion* of these units is, by law, exempt from further inspection by local jurisdictions. Since the damaged units in question have left the factory, any repairs done subsequently are not under the NC Modular Program and the Modular Validating Stamp does not preempt the local inspector's right to inspect these repairs. The following are four (4) options that are acceptable to the NC Department of Insurance for restoring the damaged units to compliance with applicable North Carolina Codes, and insuring that inspections are properly performed:

Option 1:

- a. The **manufacturer returns the unit to the plant** and completes all necessary repairs to bring the home to full compliance with applicable NC Codes.
- b. All repairs are inspected and verified by the Third Party Certification Agency.
- c. Original NC Modular Stamp(s) may remain or, if missing, new Stamp(s) may be issued.
- d. The manufacturer takes full responsibility for all in-plant construction and repairs completed in the plant.
- e. The local jurisdiction is responsible for the inspection of all aspects of the field installation of the unit.

Option 2:

- a. The **manufacturer or a party subcontracted by the manufacturer completes at the site** all necessary repairs to bring the home into full compliance with applicable NC Codes.
- b. All repairs are inspected and verified by the Third Party Certification Agency.
- c. Original NC Modular Stamp(s) may remain or, if missing, new Stamp(s) may be issued.
- d. The manufacturer takes full responsibility for all in-plant construction and field repairs completed at the site.
- e. The Third Party Certification Agency is responsible for the certification of all in-plant construction and field repairs.
- f. The local jurisdiction is responsible for the inspection of all aspects of the field installation of the unit.

Option 3: (may be used if acceptable to the local building official)

- a. A party other than the manufacturer or the manufacturer's subcontractor *completes at the site* all necessary repairs to bring the home into full compliance with applicable NC Codes.
- b. Original NC Modular Stamp(s) may remain or, if missing, new Stamp(s) may be issued. (Note: All NC Modular Stamps must be issued and installed in the unit by the manufacturer's Third Party Certification Agency.)
- c. The NC Modular Stamp(s) preempts inspection by the local jurisdiction of the **original, undamaged portions** of the unit that were produced in the manufacturer's plant.
- d. The manufacturer takes full responsibility for the **original, undamaged portions** of the unit.
- e. The party making repairs at the site will take full responsibility for all repairs carried out at the site.
- f. A detailed list of each damaged area that is to be repaired at the site shall be prepared and forwarded to the local building official, with copies to the manufacturer and to the NC Department of Insurance, Manufactured Building Division.
- g. All repairs performed at the sight shall be inspected by an NC Registered Engineer or Architect.
- h. A sealed letter from the NC Engineer or Architect certifying that all site repairs have been completed in full compliance with applicable NC Codes shall be furnished to the local building official, with a copy to the NC Department of Insurance, Manufactured Building Division.
- i. The local building official may accept the NC Modular Label as certification for the **original, undamaged portions** of the unit, and the sealed Engineer's or Architect's letter as certification of the site repairs of the damaged portions of the unit.
- j. The local jurisdiction is responsible for the inspection of all aspects of the field installation of the unit.

Option 4: (may be used if acceptable to the local building official)

- a. A party other than the manufacturer or the manufacturer's subcontractor *completes at the site* all necessary repairs to bring the home into full compliance with applicable NC Codes.
- b. Original NC Modular Stamp(s) may remain or, if missing, new Stamp(s) may be issued. (Note: All NC Modular Stamps must be issued and installed in the unit by the manufacturer's Third Party Certification Agency.)
- c. The NC Modular Stamp(s) preempts inspection by the local jurisdiction of the **original, undamaged portions** of the unit that were produced in the manufacturer's plant.
- d. The manufacturer takes full responsibility for the **original, undamaged portions** of the unit.
- e. The party making repairs at the site will take full responsibility for all repairs carried out at the site.
- f. A detailed list of each damaged area that is to be repaired at the site shall be prepared and forwarded to the local building official, with copies to the manufacturer and to the NC Department of Insurance, Manufactured Building Division.
- g. All repairs performed at the site shall be inspected by the local building official.
- h. The local jurisdiction is responsible for the inspection of all aspects of the field installation of the unit.

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