

PLEASE NOTE: The following is a brief summary of the minutes of the North Carolina Manufactured Housing Board meeting of July 15, 2003. (The official record is recorded and maintained on tape.)

MINUTES OF THE
NORTH CAROLINA MANUFACTURED HOUSING BOARD
JULY 15, 2003

RALEIGH, NORTH CAROLINA

Tim Bradley chaired the July 15, 2003 meeting. Members of the North Carolina Manufactured Housing Board present were: Owen Tharrington, Wesley Layton, Troy Brickey and Clark Crowther. Linda Willey, J. P. Cauley and Danny Chandler were not present. Others in attendance were as follows:

David Brown, Salesman
Johnny Hanna, H & S Homes, LLC
Timothy L. Parker, Salesman
Jeff Britt, DOI

1. Chairman Bradley called the meeting to order.

2. **Minutes:**

Minutes of the April 15, 2003 meeting were reviewed. Motion was made and seconded to accept the minutes with the following exception noted: concerning Discount Mobile Homes to read "letter of caution" instead of "letter of reprimand" made by Patrick Walker. Motion passed.

3. **Old Business:**

A. **Update from April 15, 2003 Board Hearings:**

NCMHB vs Dewberry Housing, License #6575 – Failure to Return Deposit (MHB FB 4-2003). Hazel Stephenson report that Dewberry Housing had failed to comply with the Board Order and Staff has filed claim against the bond of Dewberry Housing on behalf of Tammy Cox.

NCMHB vs Discount Mobile Homes, License #6745; Eugene Quarles, Jr. License #15203, – Altering Data Plate. (MHB FB 5 & 6-2003). Letter of caution has been forwarded to Discount Mobile Homes regarding the proper procedures to follow in determining the wind zone a home has been constructed to meet.

NCMHB vs David Lee Brown, (MHB FB 9-2003) Application for Sales License with pending bond claims. This case to be held before the board today.

NCMHB vs Fleetwood Home Center, License #6470 and Anthony Day, License 10550, (MHB FB 7 & 8-2003) – Falsifying Certificate of Occupancy. Case continued until October 21, 2003.

B. Update on Progress of Continuing Education

Pat Walker presented the Board members with updated information regarding the continuing education courses. As of July 9, 2003, sixteen (16) courses for setup contractors have been completed with 482 licensees attending. This represents 90.1% of the 535 contractors; sixty-one (61) salesperson continuing education courses have been held with 1,873 licensees attending. This represents 81.3% of the 2,305 salesperson. Discussion was held regarding continuing education requirements for law and Administration courses. Also discusses possibility of CE via internet. Rules are not currently set up for distance or internet courses but this is something the Board wishes to receive further information. Some remarks were received concerning the content of the course material and instructors. Chairman Bradley suggested surveys be provided for each course participant for the participant to give their comments with regards to the course.

Get draft copy for using internet and distance courses. Do research and bring back to next Board meeting. Security issue should be taken into account. Would only get one certificate per viewing for these courses.

4. New Business:

A. Bond Reduction - Dealer

Pat Walker presented the Board members with handout of meeting with Dell Averette of Stan Taylor Insurance Agency, Diane Miller and LaShawn Strange of the Attorney General's office; Pat Walker and Hazel Stephenson, staff of the Board. The purpose of the meeting was to discuss when dealerships can reduce the amount of their bond. The conclusions were:

- The bond amount can be increased/decreased at any time based on the number of dealer lots which are open or closed.
- As long as the bond coverage was in effect at the time a home was sold, that bond liability is still valid even though the bond amount may have been reduced at a later date.
- Claims can be filed against the bond after the one year period has ended whether or not corrective actions have been taken during the one-year warranty period.
- The Bond companies will make the determination as to whether or not the claim is a valid claim.
- The bonding company can release the collateral for a bond at anytime without having to come before Manufactured Housing Board for its approval.
- Cash Bonds will still have to come before the Manufactured Housing Board for approval to release the collateral.

Pat also advised that the Department of Insurance has modified its computer program to keep a timeline history of the bond value to each bond provided with licensees packages.

B. House Bill 1006

Pat Walker presented the Board members with handout of House Bill 1006.

NCGS §143-143-20A(b) Displaying Notice with Board information
NCGS §143-143-21A(f) Terms of Deposit
NCGS §143-143-10A(2) Criminal History

Minutes of July 15, 2003 Manufactured Housing Board Meeting

Page 3 of 3

- C. The Board requested a meeting be scheduled to include members of the industry to discuss this Bill. Wesley Layton talked about some proposed rule changes. A roundtable discussion would help to receive discussion and ideas regarding the changes the passage of this bill will bring. Staff to get copies of correspondence to everyone in time get date deadline to receive correspondence. Need to submit topics that Staff and NCMHI want to discuss. Get Frank Gray to attend meeting.
- D. Pat Walker introduced LaShawn Strange to the board. LaShawn has been designated as the Attorney General's representative for the Manufactured Housing Board. She received a warm welcome from the board members.
- E. Staff reported they have received information that a manufacturer representative has been appointed for this position on the Board; however, the Division has not received correspondence the Governor's Office verifying this.

5. 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 October 21, 2003.
- 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.** Continued until October 21, 2003.
- C. **NCMHB vs David Lee Brown, (MHB FB 11-2003) Application for Sales License with pending bond claims.** David Brown was previously heard on April 15, 2003. Mr. Brown's application was denied until full status of pending bond claims was resolved. The Staff presented the case, responded to questions of the Board and introduced the file into evidence. Mr. Brown testified that he was responsible and has done everything he could to get cases resolved. Mr. Brown advised the Board he is prohibited by the terms of his bankruptcy from making repairs or paying any money on issues that are part of the bankruptcy filing. Johnny Hanna of H & S Homes, LLC gave testimony on behalf of Mr. Brown. The Board advised they would meet in Executive Session and all parties would be notified as to their decision.
- D. **NCMHB vs. Timothy L. Parker, (MHB FB 12-2003) Application for Sales License with Bond claims filed.** Mr. Parker was previously heard on October 15, 2002 but was not present due to car problems on the way to the Hearing. The Board requested documentation of car trouble. The Staff presented the case, responded to questions of the Board and introduces the file into evidence. Mr. Parker testified and responded to questions of the Board. The Board advised they would meet in Executive Session and all parties would be notified as to their decision.

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

BOARD'S DECISION
JULY 15, 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 October 21, 2003.**

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. Continued until October 21, 2003.**

C. **NCMHB vs. David Lee Brown, Application for Sales License. (MHB FB11-2003).**

Motion was made and seconded to issue sales license with stipulations. Dealer license is not to be issued without Brown appearing before the Board.

Motion carried.

D. **NCMHB vs. NCMHB vs. Timothy L. Parker, (MHB FB 12-2003).**

Motion was made and seconded to issue sales license with provision. Dealer license is not to be issued without Parker appearing before the Board.

Motion carried.