

**PLEASE NOTE:** The following is a brief summary of the minutes of the North Carolina Manufactured Housing Board Hearing of October 18, 2011 (The official record is recorded and maintained on CD)

**MINUTES OF THE**  
**NORTH CAROLINA MANUFACTURED HOUSING BOARD**  
**OCTOBER 18, 2011**

**RALEIGH, NORTH CAROLINA**

Joe Sadler chaired the October 18, 2011 meeting. Members of the North Carolina Manufactured Housing Board were present: Wayne Carpenter, Cliff DeSpain, Michael Harden, Brandon Goodman, Billy Glover and Dell Averette. Board Members available via telephone: Jeff Mooring, Katrina F. Bryant, David Cranfield. : Chairman Tim Bradley and Board Member Michael Perkins were not present or available via telephone. Staff present, Joe Sadler, Karen Holden, Pat Walker, Ellen Tyndall, and LaShawn Piquant, Staff Attorney Brad Lovin with the North Carolina Manufactured Housing Association was present via telephone.

- 1 Joe Sadler called the meeting to order. Joe announced that this maybe Billy's last meeting on the Board and that the Governor is working the appointment.
2. Minutes of July 19, 2011 Meeting were reviewed. Motion was made Billy Glover and seconded Michael Harden to accept the minutes as written. The motion carried unanimously.

Joe reported that we thought that we were going to have a case, but we will explain a little further about the progress of that particular case and it may come before us here in the near future, it just depends on how the criminal side to it and that we don't have access to that evidence so we are going to let that play out and but we are reasonably sure that person can take more money from consumers until he goes to trial, I so I'll explain that a little be further when we get into old business. That's on the escrow case that we talked about at the last meeting.

3. **Old Business:**

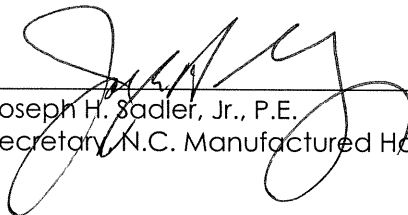
- A. Unlicensed activity update: Joe reported that we have gone through the renewals pretty well gone after several at least gotten letters out to cease and desist and gotten renewed on their license. Our first goal is to get them renewed and then if they don't do that, then we will go further but in this case, most of them have been renewed. Our biggest problem now with unlicensed activity is with manufactured housing parks and communities where they have several units and they sell them, the Statutes says that if your display, sell or buy three or more manufactured home in a 12 months, you are supposed to be licensed. The problem comes are these out of State owners who have 3 of 4 manufactured communities in the State and they will have one license and they maybe have one individual who runs over to the other lot and check that too. Technically by the Statutes, they are supposed to be licensed at each location and have a bond for that. Some of them sell new but most of them of selling used and we are working on that and I'll fill you in on that at a later date but right now we are just kinda finding them and our inspectors are just going out seeing the signs for sale out there and they are checking on these lots.

- B. Email to Inspection Department - Verification for Manufactured Homes Installation Permits: At the last meeting we discussed contacting the local building department to remind them that they need to verify the current status of a licensee and they can do this online at our website. Attachment 3B was sent out to all 100 plus jurisdiction in the State via email and mail some out that did not go via email. Joe advise that in November 4, 2011 to he will be going to Charlotte, NC to speak at the North Carolina Permitting Personnel Association meeting where the permitting clerks have their annual meeting and we're going to put on a presentation with a PowerPoint program to discuss this to drive home the point to verify those licenses.
4. **New Business:**
- A. Revision of NCGS 150B-18; NCGS 150B-2(8a) – Senate Bill 781 passed on June 18, 2011 and revised portion effective July 25, 2011; Joe referred to LaShawn to explain. LaShawn explained that different issues the Board has decided on at some point that came into existence but is not documented anywhere kind of historical knowledge and way you have done things which has worked previously until this Bill was passed on June 18<sup>th</sup> and read the section that was underlined in Attachment 4A which state that an agency cannot enforce a policy unless it is a rule. LaShawn explained how this issue came up that the Staff has addressed to her. Karen Holden explained that we had two issues that were previously decided by the Board many years ago. One of the issue was concerning the "et al" license where the Board said that we could issue "et al" license to a salesperson who dealer may have three dealerships and have one person to cover all three locations; then a problem came up when every time we issued a license, the dealer wanted all their salesmen to be issued "et al" license. Then the Staff narrowed it down to the owners or officers of business to eliminate that problem. The other issue the policy in reference to how the Board decides to release of cash board, she explained that a one time when she started, she was always been told 12 to 18 months after the last home sold and according to this rule, we cannot enforce that anymore according to the new rule. We have had these two issues to come up, where a dealer wanted to have one person to work two locations and the other things we have it the cash bond and time frame with that question. These were policies that was set over twenty years ago and that's what we have been following up until now. Joe asked the Board member if they understood what "et al" meant and on the cash bond, we are following the 12 month warranty that way that last sale is covered by the bond. LaShawn again advised that historically we have done it that way, this new rule says that we just can't do it the way we've always done it, we have to make it a rule, this is for all agencies. LaShawn responded and answered questions of the Board members. Board Member Billy Glover suggested that when a cash bond is given that a statement is written and signed acknowledging that once the licensee have discontinued business, your bond will have to remain for 12 months from the last date of business, so they are aware it when they shut down their business. Karen Holden advised that normally when they call in and advised that they cannot get a bond, I tell them that right away and explained to them at that time when they request their cash bond back, it's not in writing but it is explained to them. Joe advised that he could do a memo type thing which they would sign to make them aware if that's what the Board wants to do. LaShawn will help draft something for the Board to review that states 12 months from when you submit your license with the cash bond that they sign that agreement between the Board as well as the individual and we all will be on the same page.

- B. Joe reported that to have our program fully accepted by HUD for our installation, one of the problems that they have had with our program and they have said that we will have to resolve is that dealers can set up without a license or training. They are just doing it on the basis of their sales/dealer lots. They want them to have the same training, if they are going to be installing, they want them to be trained just like the installers and we got to set up an installation training program, even for the installers. It is going to be like a 12 hour class. This will be based on HUD's Parts 3285 and 3286. There is a need to discuss bonds and how to administer the new rules that will be needed.
- C. Direction from the Board – Clarification of Time of Release Cash Bond: After much discussion from above, Item 4A, it was decided that upon receipt of notification or license returned by licensee that they are no longer in business, will hold cash bond 12 months after that date of notification or return of license.
- D. Direction from the Board – Issue of "et al" license to salesmen at multiple locations. Joe explained what "et al" license status to Board Members. Karen Holden gave example of the issuance of "et al" license under special circumstance with one dealership with 10 locations and the problems they were having keeping employees and our inspector finding them at other locations. Base on new rule, we don't have rule, do not issue anymore "et al" license. Billy Glover asked about one salesperson with two different license numbers. Karen Holden responded that there were two occasions that she recalls where a salesperson was issued two different license numbers. The two salesmen were owners of their own dealership and were issued a different license to work at another dealership. The issue of how their continuing education was recorded for the two salespersons. Karen Holden will check and report back at next meeting.
- E. Update on Status of Escrow Account Case: Joe report that case has been in the news with a dealership up in Henderson, Roger King with Repo Connection was arrested in August by the Criminal Investigation and we had three complaints for taking money and not delivering the product. We had an investigator to go in from the Criminal Investigation Division, who usually arrest bail bondsmen and insurance fraud violators. They are sworn law and enforcement officers and they went and checked the records and essentially what it came out to was like seven people that had issues with him almost \$300, 000,00 and there is no money to be account for so at this time. He's been in jail since August 18, 2011, apparently do not have a way to get out but we were going to bring that before the Board but we did not want to jeopardize the criminal case with the DA pursuing it in Haywood County and but they would if he was to be released and request that he turn in his license. So we could not do that. We just could not get the evidence from the criminal investigation. LaShawn advised that is the case whenever the Department of Insurance has a Criminal Investigation Division involved separate from other department agencies. So if another agency makes a referral to Criminal Investigation Division, we have no access to the information in an ongoing investigation and we're going to let it play out and see what happens.
- F. Release of Cash Bond - A & M Transporter, License 3518 - Joe presented case to Board. Joe responded and answered questions from the Board. After much discussion, this case did not fall under new rule of June 18, 2011. Motion made to return cash bond by Billy Grover and seconded by Cliff DeSpain. Motion carries. Motion made to release bond 12 months from the date of inactivation or surrender of license. Motion made by Billy Glover and second by David Cranfield. Motion carries.

- G. Discussion about installation of manufactured housing units used for temporary housing during natural disaster relief efforts by FEMA and NC Emergency Management.

Motion was made to adjourn the meeting and motion passed. Meeting adjourned.



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Joseph H. Sadler, Jr., P.E.  
Secretary, N.C. Manufactured Housing Board