



Manufactured Housing Division

Self Evaluation Report 2009

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION
SELF-EVALUATION REPORT
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**Texas Department of Housing and Community Affairs
Manufactured Housing Division
Self-Evaluation Report**

I. Agency Contact Information

A. Please fill in the following chart.

(Agency Name) Exhibit 1: Agency Contacts				
	Name	Address	Telephone & Fax Numbers	E-mail Address
Agency Head	Joe A. Garcia	221 E. 11 th Street, Austin, Texas 78701	(512)475-4999(T) (512)475-0495(F)	joe.garcia@tdhca.state.tx.us
Agency's Sunset Liaison	Amy Morehouse	221 E. 11 th Street Austin, Texas 78701	(512)475-1604(T) (512)475-0244(F)	amy.morehouse@tdhca.state.tx.us

II. Key Functions and Performance

Provide the following information about the overall operations of your agency. More detailed information about individual programs will be requested in a later section.

A. Provide an overview of your agency's mission, objectives, and key functions.

MISSION

The Manufactured Housing Division (MHD) is primarily a regulatory agency whose mission is to regulate the manufactured housing industry firmly and fairly by enforcing and implementing the law. MHD helps to ensure consumers receive safe, affordable and well constructed housing. MHD also strives to enhance internal and external communication for efficient and effective regulation and to promote outreach to educate the public.

OBJECTIVES

The Agency objectives are to operate a regulatory system to ensure responsive handling of Statements of Ownership and Location (SOL) and license applications, inspection reports, and enforcement, as outlined in the TDHCA Strategic Plan for the Fiscal Years 2007-2011 Period.

KEY FUNCTIONS

Processing of Statements of Ownership and Location

The processing of Statements of Ownership and Location (SOL) starts when the seller or transferor of a manufactured home submits an application for a SOL. The MHD Processing Analyst reviews the application to ensure that the application meets all requirements and that all required documentation and signatures are provided. If deemed complete, a new SOL is issued. This process of issuing SOLs regulates the recordation of ownership, election/use, and location of all manufactured homes in Texas. A total of 62,384 SOLs were issued by the MHD in FY 2008.

Education, Outreach and Customer Service

An important component of the MHD's mission is to enhance internal and external communication for efficient and effective regulation of the manufactured home industry; and to promote public outreach to educate consumers. Education and consumer assistance are essential to achieving the MHD's mission. The MHD offers a variety of resources for education, outreach and customer assistance activities, such as toll free telephone lines, e-mail mailboxes for specific activity ensuring immediate response, educational publications, newsletters and brochures, presentations to various interests groups, training of local governmental authorities, and compliance and educational workshops for industry representatives and system participants. (See Exhibit A, 1; Exhibit A, 2; and Attachment 4) The most recognized resource is the MHD website, which includes all forms, brochures, links, and general information relative to manufactured housing, as well as free access to the MHD database, which is updated nightly, and is available 24 hours a day, 7 days a week.

Licensing

The processing of occupational licensing generally begins when a prospective license applicant enrolls in the 20-hour Licensing Education Class, which covers applicable state and federal laws and consumer protection, and which is a prerequisite to licensure. Once the applicant completes the course and successfully passes the required examination, the MHD Licensing Analyst reviews the application to ensure that all requirements have been met and that all required documentation, bonds (when applicable), and signatures are provided. Additionally, a criminal background check is conducted on all applicants and any criminal activity is carefully evaluated. If deemed eligible, the license is issued. This process of issuing licenses regulates the Texas manufactured housing industry by limiting licensure to qualified, knowledgeable, and bonded, individuals and entities who provide housing and services to the Texas consumer. Except for Salespersons, who are covered under their sponsoring Retailer, all license holders are required to maintain a surety bond which reimburses the Homeowner's Recovery Trust Fund (HORTF), if it becomes necessary for the fund to pay a claim of actual damages to eligible consumers when a license holder refuses or is unable to provide remedy. Some examples of the individuals and entities applying for licensure include Retailers, Manufacturers, Installers, Salespersons, Brokers, and Re-builders. Currently, the MHD has approximately 3183 active licenses on record, 1963 of which are Salespersons.

Complaint Resolution

The MHD facilitates the resolution of consumer complaints and disputes. The complaint process allows the MHD to efficiently process, track and access complaint information, which enabled the resolution of approximately 792 complaints, with a resolution time averaging about 128.5 days, in FY 2008. The complaint resolution process includes receipt of the complaint, investigation of the issue(s) in question, confirmation of whether the complaint is justified or unjustified and/or within our jurisdiction, resolution or closure of the complaint, and when appropriate, advice to the complainant of rights to further pursue the issue. When warranted, due to possible statutory or rule violations, a complaint may result in an Enforcement case against the licensee or an individual involved in unlicensed activities.

Enforcement and Investigation

The MHD's enforcement and investigation function investigates allegations of illegal activities by Retailers, Manufacturers, Installers, Brokers, Salespersons, Re-builders and any other person who is acting in a capacity which falls under the regulation of the MHD. The MHD's enforcement program takes civil disciplinary actions, which may result in license denials, revocation, suspensions; administrative penalties; and/or restitution. Enforcement cases may also result in criminal prosecution. These cases are prepared and referred to state and federal prosecutorial agencies.

The enforcement program also assists in distributing funds from the HORTF, when appropriate. This money may be paid to a consumer once an investigation has been completed and it has been determined that the complainant has suffered actual damages as a result of a violation. For example, if the retailer fails to reimburse a consumer's deposit, the HORTF may pay the consumer, and the Retailer's bond will reimburse the HORTF. Once the bond pays a claim the license would be suspended until the bond is restored to the required amount. To ensure proper distribution of funds from the HORTF, the MHD Investigators always verify that a violation did occur as well as the amount of the actual damages to the consumer.

Inspections

The MHD inspects Manufactured Homes throughout Texas. The MHD is required to inspect 25% of all manufactured homes installed on a sample basis, for compliance with all federal and state standards, rules and laws. The field offices may also inspect manufactured homes to validate consumer complaints, and habitability. All manufactured homes have warranties which ensure compliance with the regulatory standard. All new manufactured homes are subject to a one year manufacturer's warranty and a one year retailer's warranty. Additionally, there is a two year installation warranty. All used homes are subject to a sixty day habitability warranty and if installed, a two year installation warranty. If a consumer complaint comes in regarding a deviation of a warranty a two year installation field inspector, may inspect the home to verify that it is a deviation from the standard as opposed to a cosmetic defect. If it is determined there are valid deviations and the home is not up to code the inspector will issue a warranty order and an inspection report listing the items to be corrected and by which entity. The entity will normally have thirty days to make the

corrections, and if they are not timely made a violation has occurred. The MHD has the authority to seek an administrative penalty, and/or revocation or suspension of a license for a violation of a warranty order.

If a consumer complaint is received alleging a deviation of a warranty, a field inspector may inspect the home to validate the allegation. If it is determined there are valid deviations and the home is not up to code the inspector will issue a warranty order identifying items to be corrected and by which licensee. The warranty order provides a thirty days correction period, which if not met, adds another violation to the complaint. If a licensee fails or refuses to provide warranty service within the specified time period, the licensee must attend an informal meeting with the Director and show cause why their license should not be revoked or suspended. The MHD Inspectors are based in field offices in San Antonio, Houston, Dallas, Waco, Lubbock, Edinburgh, Tyler, and Henrietta.

B. Do each of your key functions continue to serve a clear and ongoing objective? Explain why each of these functions is still needed. What harm would come from no longer performing these functions?

Processing of Statement of Ownership and Location (SOL)

The issuance of SOLs remains an important objective of MHD as it enables the consumer to obtain “title” to their home. Additionally, it enables lenders to record their security interest in the manufactured home as collateral when and the home has been financed. Issuance of the SOL also enables consumers to convert their home to real property, thereby benefiting from the same mortgage and taxing benefits as site built home owners. Finally, the SOL issuance process provides for a single ownership and lien data base, as the official record for the public to be aware of their ownership rights, or to be informed of the ownership and lien status of a home they are attempting to purchase.

Without this function there would be no mechanism for tracking the ownership and location of manufactured homes. Consumers would have no way to verify if they were obtaining a good and marketable title and there would be no means for the owner to demonstrate their ownership or interest in a manufactured home to a perspective buyer, lender, or to an insurance company if a claim is being made. Without a means of securing their interest lenders would not finance manufacture homes, leaving many Texans homeless. If there was no formal recording process for manufactured homes, the appraisal districts would not be aware of who owns manufactured homes installed in their county and consequently, taxing entities would not be able to assess and enforce taxes.

Education, Outreach and Customer Service

This function is vital to efficiently serving the needs of the MHD's customer base. The education, outreach and customer service element provides the public with tools and information to make informed decisions about purchasing or selling a manufactured home. It helps to ensure the public is aware of their rights to purchase a safe and habitable home; and the warranties that are required with the purchase of a manufactured home. It is important that all individuals have the ability to understand and interpret the law and have experienced people that are easily accessible to help answer relevant questions. Also, through the instructional courses, checklists, and manuals, which improve industry understanding of regulatory requirements, there are less complaints. Education is a proactive approach to mitigating future damages to consumers and members of the manufactured home industry.

Without this function, consumers would not have access to an unbiased source for manufactured housing information and assistance to complete the proper forms. Given the complexity of completing an application for SOL the public requires regular assistance with completion which is provided by Customer Service. The MHD has provided seminars for titling agencies, and law firms. Without this instruction these parties would not be a knowledgeable of requirements and applicable laws and loans could not be funded, secured, or foreclosed in the event of default. Additionally, not educating these parties results in incomplete applications being submitted requiring subsequent handling and wasted staff time. Not performing this function would also result in an increase in violations and consumer liability.

Licensing

The licensing function contributes to the objectives of encouraging fair competition in the market by reducing the number of licensees that are not qualified, educated or properly bonded for consumer protection. The function is needed to ensure that only qualified, bonded, and knowledgeable applicants are licensed to provide housing and related services to the consumer. Additionally, the required licensing of the industry preserves the integrity of service and housing provided to otherwise middle to low income homebuyers; and reduces the likelihood of harm to the consumer, particularly given the size of the market and the complexity of the sales process, finance process, warranties, and absence of a bond.

Complaint Resolution

The complaint resolution function advances the objectives of encouraging fair competition in the manufactured housing industry by reducing unfair and illegal practices. Complaint resolution provides a system of accountability for licensees, ensuring that Texans receive the benefits of a good and marketable title, and that homes that are in compliance with their warranties. The office of consumer complaint can determine what resolution is appropriate for individual complaints and assist in making consumers whole if they have suffered actual damages after a violation.

Without this function, consumers would be harmed as companies would have little incentive to resolve consumer complaints. If a licensee went out of business the consumer could not seek appropriate reimbursement through the Homeowners' Recovery Trust Fund, nor could they regain

any refund of deposits that were not reimbursed. Not performing the complaint resolution function would be particularly harmful to low income individuals who may have been harmed by dishonest individuals, particularly with no consequence of administrative penalty, or loss of their license.

Enforcement and Investigations

The enforcement and investigation function contributes to the objectives of encouraging fair competition in the manufactured housing industry by reducing unfair and illegal practices. The function is still needed to prevent the unauthorized sale, manufacturing, or installation of manufactured homes; and ensure appropriate administrative action to address violations of statutes or regulations by regulated entities. Unauthorized entities may charge lower prices because they may not have the additional expense of a bond or licensed person. But this is harmful to the consumer as there is no protection of a bond covering the sale. Additionally, the investigation process may be used to collect information and identify trends of certain types of violations occurring in the industry.

Without this function, regulated entities would have no incentive to comply with the law. Violations against consumers would go unchecked resulting in increased sales of unsafe and unmarketable homes. Without enforcement and investigation services, Texas would likely see an increase in violations of the law as well as damages to the consumer. In both cases, the consumer bears the burden financially by either paying higher costs for a manufactured home or foregoing a bond and risking financial exposure for future losses.

Inspections

The inspections function advances the objectives of ensuring consumers receive homes which meet the compliance with federal and state standards and rules. This function is needed to provide quality assurance for the consumer when they have a manufactured home installed. Every consumer has a right to a habitable home after a sale, and the MHD's inspections ensure that retailers, installers, and manufacturers provide safe and appropriate services. This function ensures homes are installed pursuant to Department of Housing and Urban Development (HUD) and Title 10, Chapter 80 of the Texas Administrative Code and will be safely secured for the consumer. A habitability inspection will ensure there are no dangerous defects in the home; the plumbing, heating, and electrical systems are in safe working order; the walls, floors and roof are structurally sound; and the doors and windows operate properly. Also a Consumer Complaint inspection can verify all warranty obligations are met by the retailer, installer or manufacturer.

Without this function, consumers may experience problems with their manufactured homes and have no means to have corrections made. Even though the MHD does not have the resources to inspect every manufactured home, the thought that any manufactured home can be inspected results in quality assurance for the consumer. Without this function there is no safe guard and it would result in poor construction, improper installations, and homes that are not habitable. This would put all consumers at risk of living in manufactured homes that can be a danger to themselves and the surrounding public.

C. What evidence can your agency provide to show your overall effectiveness and efficiency in meeting your objectives?

In addition to the Legislative Budget Board approved performance measures (See Attachment 14), the MHD uses various means to determine how effective and efficient the agency is at meeting its strategic objectives. The MHD uses a Document Control Unit to ensure the quality of the statement of ownership and location (SOL) applications. The Document Control Unit reviews the applications after the SOL has been issued and acts as a proofing resource for the Processing Unit, identifying errors and ensuring accuracy and consistent processing of SOLs. When an error is discovered, it is forwarded to the manager and reviewed with the Processing Analyst, so they are aware of the error and how it should be corrected in the future.

The MHD also keeps a record to determine if the SOL is being issued timely within 15 days of the date of receipt pursuant to Section 1201.207(a) of the Texas Occupations Code. Currently it is taking an average of 10 days to issue a Statement of Ownership and Location based on a complete application.

The stake holder and employee feedback also provide the MHD with a measure of effectiveness. When it is determined a rule is no longer effective or needs to be amended a stakeholder meeting may be held to obtain feedback and assistance in developing the needs of the industry. MHD also requests input from employees to help determine what changes they have observed need to be made to protect the consumer. Based on this feedback, the MHD can work with the industry or consumers to make appropriate improvements

One of the last means to measure the efficiency of the MHD is through enforcement actions. The MHD enforcement actions and Orders facilitate achieving the strategic objective of reducing unfair and illegal practices, and have resulted in fines and penalties, monetary restitution, refunds and greater consumer protections. Additionally, the MHD routinely takes the appropriate administrative action and assists with criminal enforcement actions to reduce unfair and illegal practices within the State of Texas.

D. Does your agency's enabling law continue to correctly reflect your mission, objectives, and approach to performing your functions? Have you recommended changes to the Legislature in the past to improve your agency's operations? If so, explain. Were the changes adopted?

Yes, the agency's enabling law continues to reflect the MHD's mission, objectives, and approach to performing agency functions. The agency's enabling statute is found in Section 1201.002 of the Occupations Code. This section provides that the agency is responsible for protecting state residents who want to purchase manufactured housing by regulating the construction, and installation of manufactured housing; providing economic stability to manufactured housing manufacturers, retailers, installers and brokers; and providing fair and effective consumer remedies.

During the Texas 81st Legislature, MHD made a change to the Texas Occupations Code that should greatly improve MHD's day to day operations. Section 1201.009 was added to allow any action required under this chapter to be accomplished by electronic means. The MHD is currently creating a new data base that will allow individuals to submit their application for a SOL or license online and print their issued license or SOL after they complete the application process. This will enable the MHD staff to dedicate more time to assisting callers by phone, resolving titling issues, and in processing complex applications converting a manufactured home to real property. This change has already been approved and will be extremely beneficial to MHD's operating procedures.

Additionally, with disaster relief becoming so prevalent, a Legislative change was suggested and enacted enabling the Director to waive titling fees in the event that the Governor issues a declaration of disaster, enabling manufacture homeowners whose home was destroyed, to obtain title in order to receive replacement housing.

E. Do any of your agency's functions overlap or duplicate those of another state or federal agency? Explain if, and why, each of your key functions is most appropriately placed within your agency. How do you ensure against duplication with other related agencies?

None of the MHD's functions currently duplicate those of another state or federal agency. The MHD is charged with regulating the manufactured home industry, protecting consumers, and tracking the ownership and location of manufactured homes. Several other agencies have similar responsibilities relative to affordable housing, but no other agency or agencies completely duplicate the functions of MHD.

The Department of Housing and Urban Development (HUD) regulates the Manufactured Home Installation Standards and the MHD works very closely with HUD to ensure that the states actions are not duplicative of the federal agency. Through a contract or State Plan the MHD has agreed to work as an agency for HUD to administer the Manufactured Housing Procedural and Enforcement Regulations. Through this contract, HUD pays the state a portion of the monitoring fees collected from that state's manufacturers.

Other agencies also have licensing sections for various industries. For example, the Texas Department of Licensing and Regulation (TDLR) is the state's umbrella occupational regulatory agency, responsible for the regulation of 22 occupations and industries, ranging from boxing to auctioneers. While TDLR and other agencies perform licensing functions, licensing of manufactured housing is most appropriately placed within the MHD because all of its resources are dedicated to one statute and given the size of the manufactured housing industry the MHD has the ability to perform the appropriate field inspections for the purpose of consumer protection. The MHD's comprehensive knowledge of the manufactured housing industry and of laws and regulations applicable to each type of license and service, place MHD in the best position to license individuals and entities in the manufactured housing industry. Another reason this function is appropriately placed is MHD's impartiality. MHD serves both the consumer and the industry, thus balancing fair competition in the manufactured housing industry with ensuring adequate consumer protection.

F. In general, how do other states carry out similar functions?

Other states may not license manufactured housing industry members, but they do assist with consumer complaints and inspections when appropriate. Just like Texas, other states also cooperate with the Department of Housing and Urban Development (HUD) acting as State Administrative Agencies and maintain a contract to perform activities such as, in plant manufacturers' audits, retailer lot audits, specialized complaint inspections that revolve around manufacturers defects, and perform class searches at manufacturing facilities. However, there is another function that Texas does not participate in and that is the In-Plant Inspection Agency activities which consist of supplying HUD labels for manufactured homes and certifying manufacturing plants. In Texas, Manufacturers will hire a third party to complete these functions.

G. What key obstacles impair your agency's ability to achieve its objectives?

I. Lack of Resources

Currently, the MHD receives approximately 20,000 calls per month and does not have the resources or staff to properly handle this amount of consumer intake. The MHD wants to handle all inquiries in an efficient manner, but currently our staff cannot handle the amount of inquiries received. The MHD also lacks the facilities to properly train staff and outside entities. The MHD's building has limited space so no employees can be added, and a small number of shared conference rooms which seem to be consistently reserved. This limited space makes training large groups of employees or interest groups difficult. To ensure consistency in training the MHD should have the ability to train all employees at one time to make sure everyone receives the same information, at regularly scheduled intervals.

In September 2009, the MHD will be relocated to a facility which provides an environment more conducive to customer service. This new building was designed to include a dedicated training room, enabling the staff to be regularly trained, thereby improving the quality of services provided. Additionally, management and staff are being provided with work stations and offices enabling them to focus on their work with less distraction.

II. Lack of Updated Technology

The MHD currently uses a database that is out dated, is not user friendly, does not allow access to the consumer, and has reached its capacity. This makes it difficult for staff to complete their work on time and effectively track documentation that the agency receives. Additionally the limitations and inadequacies of the present system create hardships on the staff and consumer with unpredictable down times resulting in excessive delays. In the Spring of 2010, the MHD will unveil its new web-based system which includes enhancements allowing the user to enter their own application, pay on line, print their own SOLs; resulting in the ability to increase the number of customers assisted by phone.

H. Discuss any changes that could impact your agency's key functions in the future (e.g., changes in federal law or outstanding court cases).

A recent change in the law that will have a large impact on the agencies key functions was made in the 81st Texas Legislature in House Bill 2238. Section 1 of House Bill 2238 will take effect on September 1, 2009 and it states that if feasible, any action required under this chapter may be accomplished by electronic means. This statute will allow the consumer to use our new updated system to complete their own applications for SOL's, initial license applications, and license renewals. By empowering the consumer, the MHD will have the opportunity to better utilize staff resources.

I. What are your agency's biggest opportunities for improvement in the future?

The MHD strives to provide excellent customer service and thus, the agency chooses to focus its opportunities for improvement on activities that benefit the MHD's diverse customer base. The MHD's biggest opportunities for improvement center on enhancing customer services and include: empowering consumers, embracing technology, and optimizing the workforce.

Empowering Consumers

Based on recent legislative changes, the MHD is committed to improving their efficiency and response time by empowering the consumer. This will be realized through additional education and training so that consumers can apply modern technology to go online, enter their own applications, and printing out their own Statement of Ownership and Location. Second, licensees will be allowed to go online and apply for their license or renew their license and once completed print out their own licenses. These processes will have safety checks to ensure all applications are completed accurately prior to issuance. This will also allow the individual to control their own response time and completion of the document. Consumer empowerment will also allow the MHD to re-distribute the workforce resources were needed.

Technology Innovation

One technology improvement includes implementing a new web-based data base that is user friendly. This database will add consistency when used by the staff, and will help new employees to effectively use the system internally. The new system will also allow external parties to easily navigate through the new system. For example, allowing the consumers to use the new technology to apply for a Statement of Ownership and Location or a licensee applicant to apply for a renewal license online. Expanding the means of receiving the application for an SOL to be submitted electronically could achieve a more efficient review process. The new technology will save resources and time of the MHD staff and allow staff to focus on areas that need extra assistance, such as, customer service.

Optimizing the Workforce

Once the above improvements occur over the next year the MHD will begin optimizing its workforce to ensure employees are being used where and when appropriate. For instance, the Processing Unit may have extra time once the consumers begin to complete their own SOL applications. At this point processors may be able to assist customer services with consumers with more difficult applications. If the Licensing area also has less license applications to review they may be able to focus on items like furthering the education of licensees. The new technology and consumer empowerment will allow the MHD to reorganize its workforce and appropriately re-delegate staff resources. Because the volume of the workload and incoming calls is so unmanageable at the present, these system enhancements will enable the management to balance the workload, providing a positive work environment for the staff and enabling them to maintain a normal workload with minimal need to work overtime, which has been required for a long time.

J. In the following chart, provide information regarding your agency's key performance measures included in your appropriations bill pattern, including outcome, input, efficiency, and explanatory measures. See Example 2 or [click here to link directly to the example](#).

Texas Department of Housing and Community Affairs Manufactured Housing Division Exhibit 2: Key Performance Measures C Fiscal Year 2008			
Key Performance Measures	FY 2008 Target	FY 2008 Actual Performance	FY 2008 % of Annual Target
No. of Manufactured Housing Statements of Ownership and Location Issued	90,000	62,384	69.32%
Number of Licenses Issued	4,000	3,601	90.03%
Number of Routine Installation Inspections Conducted	6,000	3,632	60.53%
Number of Non-routine Inspections Conducted	2,200	2,294	104.27%
Number of Installation Reports Received	20,000	13,984	69.92%
Number of Installation Inspections with Deviations	800	396	49.50%
Number of Complaints Resolved	1,250	803	64.24%
Average Time for Complaint Resolution	180	128.5	71.37%
Number of Jurisdictional Complaints Received	1,200	731	60.92%

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III. History and Major Events

Provide a timeline of your agency's history and key events, including:

- X the date your agency was established;
- X the original purpose and responsibilities of your agency;
- X major changes in responsibilities or statutory authority;
- X changes to your policymaking body's name or composition;
- X significant changes in state/federal legislation, mandates, or funding;
- X significant state/federal litigation that specifically affects your agency's operations; and
- X key changes in your agency's organization (e.g., a major reorganization of the agency's divisions or program areas).

History of the Manufactured Housing Division

- **1972** – The Manufactured Housing Program began as strictly a regulatory agency for the manufactured home industry. The Manufactured Housing Program regulated the construction and installation standards and was administered by the Texas Department of Labor and Standards. Titling of manufactured homes was processed through the Motor Vehicle Division.
- **1976** – Federal Regulation by the Department of Housing and Urban Development (HUD) began imposing construction standards on mobile homes and changed the name from “mobile homes” to “HUD Code Manufactured Homes”.
- **1981** – Texas Department of Labor and Standards assumed the titling responsibility of manufactured homes from the Motor Vehicle Division and began issuing titles.
- **1989** – The labor related programs of the Texas Department of Labor and Standards were relocated and the agency became the Texas Department of Licensing and Regulation (TDLR).
- **1995** – 74th Texas Legislature passes HB 785. The Manufactured Housing Program moved from the TDLR and merged with the Texas Department of Housing and Community Affairs. The MHD was no longer run by the Commissioner but by the TDHCA Executive Director and Board. The Regulation and Enforcement Section was added to Section 2306.601 of the Texas Government Code.

- **1995** – HUD ceased the State’s role as exclusive In Plant Inspection Agency (IPIA) and the inspection role was opened up to third parties.
- **2001** – 77th Texas Legislature passed HB1869. The Manufactured Housing Division policy making structure was amended. The MHD became an independent Division of TDHCA, maintaining its own Executive Director and Board. Filing of tax liens by the Manufactured Housing Division was discontinued and the Texas Dept. of Transportation began requiring a Tax Certificate before the moving permit could be issued for a manufactured home.

HB 1869 amended the statute so all manufactured homes must be transferred to real property when the land and home were owned by the same owner, and the property was taxed as such. If the owner of the manufactured home did not own the real property the manufactured home was listed as personal property.

- **2003** – 78th Texas Legislature, SB 512 was passed. The title was eliminated and was replaced with the Statement of Ownership and Location (SOL) which tracked the ownership and location of a manufactured home. Prior Legislation was removed and a home could be elected as personal property even when the owner owned the real property where the house was located.
- **2005** – 79th Legislature HB No. 2438 was passed. The amendment addressed the requirements to transfer Real Property to Personal Property. The tax lien filing process was revived and returned to the MHD. All taxes on manufactured homes had to be recorded with the MHD. The abandonment provision to claim abandoned manufactured homes was also added to the law as well.
- **2006** – The MHD pursued case law against Green Tree Servicing, LLC, a manufactured home lender, in Travis County, 53rd District Court, based on the fact that they were selling repossessed manufactured homes to consumers without a good and marketable title. An Assurance of Voluntary Compliance was issued which verified that Lenders were responsible for selling manufactured homes through licensed retailers and not directly to the consumers.
- **2007** – 80th Legislature, HB 1460 was passed. Changes from this legislative session included:
 - Current owners of a manufactured home in municipalities that prospectively prohibit manufactured homes may, at least once, upgrade their manufactured home with a replacement manufactured home.
 - Establishes that it is the responsibility of the MHD Board of Directors to adopt rules and establish fees necessary to administer Chapter 1201 of the Texas Occupations Code.

- Manufacturers Certificate of Origin shall be submitted with an Application for Statement of Ownership and Location with in 60 days of the date of sale.
 - Retailers may not sell a home that is traded in for another home until they have closed the deal on the new home being sold.
 - Retailers may not sell salvaged homes to consumers.
 - An Application for a Statement of Ownership and Location for a used home must contain a statement from the tax assessor/collector stating that no personal property taxes are due that may have accrued on each January 1 that falls within 18 months before the date of sale.
- **2008** - Federal Regulation is created by HUD that imposed installation mandates resulting in all NEW manufactured homes needing to be installed by manufacturer's specifications. As a result of these changes the MHD immediately implemented emergency rules to comply with new Federal Regulation.
 - **2009** – 81st Texas Legislature, HB 2238 allows actions under the Texas Occupations Code to be accomplished through electronic means. (See Exhibit B)

IV. Policymaking Structure

A. Complete the following chart providing information on your policymaking body members.

Texas Department of Housing and Community Affairs Manufactured Housing Division Exhibit 3: Policymaking Body			
Member Name	Term/ Appointment Dates/ Appointed by ___ (e.g., Governor, Lt. Governor, Speaker)	Qualification (e.g., public member, industry representative)	City
Michael H. Bray, Chair	Appointed by Governor Perry on October 13, 2004. Reappointed on April 11, 2005 Appointed Chair on April 22, 2008 Term expires on January 31, 2011.	Public Member	El Paso
Pablo Schneider	Appointed by Governor Perry on February 5, 2008, for a term to expire on January 31, 2013.	Public Member	Richardson

Devora Denice Mitchell	Appointed by Governor Perry on June 16, 2008, for a term to expire on January 31, 2011.	Public Member	Kermit
Donnie Wisenbaker	Appointed by Governor Perry on October 9, 2008, for a term to expire on January 31, 2013	Public Member	Sulphur Springs
Sheila M. Valles-Pankratz	Appointed by Governor Perry on November 10, 2008, for a term to expire January 31, 2013.	Public Member	Mission

B. Describe the primary role and responsibilities of your policymaking body.

The governing board of the MHD provides general oversight and policy direction to the agency. It does this though a number of specific activities including:

- a. Review and adoption of rules;
- b. Issue MHD Final Orders for Enforcement cases that have been contested and gone before the State Office of Administrative Hearings (SOAH) by considering SOAH's Proposal for Decision;
- c. Approve continuing education programs for licensees;
- d. Establishes appropriate fees;
- e. Review and approval of operating budgets, legislative appropriations requests, and strategic plans;
- f. Review and approve all required forms; and
- g. Consideration of public input on any and all aspects of the agency's programs and operations through stakeholder meetings and, if appropriate, at board meetings.

C. How is the chair selected?

Pursuant to Section 2306.6007 of the Texas Government Code the Governor shall designate a member of the Manufactured Housing Board to serve as the presiding officer of the Manufactured Housing Board.

D. List any special circumstances or unique features about your policymaking body or its responsibilities.

The Manufactured Housing Board (the board) is unique in that our Board Members are all in different industries and from different locations all over Texas. This is very beneficial to our agency in that it ensures that the MHD considers how changes may affect different parts of Texas and related industries. Another factor that is unique is that each of our Board Members joined the Manufactured Housing Board in 2008, except for our Chair, who has been on the Manufactured Housing Board since 2004.

E. In general, how often does your policymaking body meet? How many times did it meet in FY 2008? In FY 2009?

The Manufactured Housing Board holds a Board meeting approximately once every other month or about 6 times a year.

In FY 2008 the Board met 5 times. In FY 2009 the Board met 6 times.

F. What type of training do members of your agency's policymaking body receive?

Members of the Manufactured Housing Board receive training pursuant to Section 2306.6011 of the Texas Government Code which states,

“(a) A person who is appointed to and qualifies for office as a member of the Manufactured Housing Board may not vote, deliberate, or be counted as a member in attendance at a meeting of the Manufactured Housing Board until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the division and the Manufactured Housing Board; (2) the programs operated by the division; (3) the role and functions of the division; (4) the rules of the division, with an emphasis on the rules that relate to disciplinary and investigatory authority; (5) the current budget for the division; (6) the results of the most recent formal audit of the division; (7) the requirements of: (A) the open meetings law, Chapter 551; (B) the public information law, Chapter 552; (C) the administrative procedure law, Chapter 2001; and (D) other laws relating to public officials, including conflict-of-interest laws; and (8) any applicable ethics policies adopted by the division or the Texas Ethics Commission.

(c) A person appointed to the Manufactured Housing Board is entitled to reimbursement, as provided by the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.”

The appropriate materials are compiled and provided to new members. The training is provided to

each new member prior to their first Board Meeting by the Executive Director, the General Counsel, and other appropriate members of management. A tour of the Department is also provided with a description of the various program areas. Members are required to take two hours of open government training, which includes a one hour course on the Texas Public Information Act and a one hour course on the Open Meetings Act, which are offered on the Attorney General's website. Additional continuing education is provided as necessary at the Board Meetings to ensure the members are kept up to date on changes in the statute or rules as they occur and important developments throughout the agency.

G. Does your agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, describe these policies.

Section 2306.6016 of the Texas Government Code states that the Manufactured Housing Board shall develop and implement policies that clearly separate the policy-making responsibilities of the Manufactured Housing Board and the management responsibilities of the MHD executive director and staff of the MHD.

In chapter 1201 of the Texas Occupations Code, and Title 10, Chapter 80 of the Texas Administrative Code the law and rules clearly lay out where action by the board is required and when it is an agency staff role. This can be identified through out the statue. For instance, it will state, "The Department shall" or "The Executive Director may" to identify a role for the agency to complete. In numerous other Sections it will state, "with the Boards approval" or "as established by the board".

Section 2306.6020 of the Texas Government Code states that The Manufactured Housing Board shall adopt rules as necessary to implement this subchapter and to administer and enforce the manufactured housing program through the MHD.

H. What information is regularly presented to your policymaking body to keep them informed of your agency's performance?

At every board meeting an Executive Summary is provided to the Board Members and presented by the Executive Director. The Executive Summary may include updates on Enforcement action that has been taken by the agency, training and licensing classes that have been provided, Statement of Ownership and Location processing time, the number of licenses issued, inspection and field updates and various other developments that have occurred throughout the agency. (See Exhibit C.)

I. How does your policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of your agency?

The Manufactured Housing Board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the Manufactured Housing Board and to speak on any issue under the jurisdiction of the division pursuant to section 2306.6021 of the Texas Government Code.

In the past the MHD has held stake holder’s meetings, which allow members of the public to voice their opinion and offer idea’s for rule development before the Board. This offers an opportunity for individuals involved in the manufactured housing industry to be heard and help to finalize the proposed rules with ideas and suggestions with less controversy or conflict.

Once a rule has been proposed, but before the adoption of an MHD rule, the public may comment on the proposed rule by submitting data, views, or arguments, orally or in writing. The MHD shall then grant an opportunity for a public hearing before it adopts the rule if a public hearing is requested by: (1) at least 25 persons; (2) a governmental subdivision or agency; or (3) an association having at least 25 members pursuant to Section 2001.029 of the Texas Government Code.

The public is also allowed to make comments at a Board Meeting, as long as, the comments are specific to items that have been listed on the Public Agenda, and deemed appropriate by the Board.

J. If your policymaking body uses subcommittees or advisory committees to carry out its duties, fill in the following chart. See Exhibit 4 Example or [click here to link directly to the example](#).

Texas Department of Housing and Community Affairs Manufactured Housing Division Exhibit 4: Subcommittees and Advisory Committees			
Name of Subcommittee or Advisory Committee	Size/Composition/How are members appointed?	Purpose/Duties	Legal Basis for Committee
Finance and Audit Committee (Subcommittee)	Two (2) Members/appointed by approval from the Board	Review and present the budget and LAR to the Board.	
Generic Installation Standards Advisory Committee	Not more than twenty-four (24) members/ Board designated membership	Review generic installation standards and offer advice for proposed rules	Tex. Occ. Code § 1201.251(d) and (e); and 10 TAC § 80.4

V. Funding

A. Provide a brief description of your agency's funding.

The MHD has a large amount of funds that are Appropriated Receipts, based on fees collected by the MHD. This includes fees collected for issuing Statements of Ownership and Location, Licensing fees, fees for Manufactured Home Inspections, and fees for the Licensing Education Class provided by the MHD.

The MHD also receives Federal Funds, based on HUD's collection of fees from all manufactured home manufacturers and is based on the extent of participation. 24 CFR 3282.307 states,

“§ 3282.307 Monitoring inspection fee establishment and distribution.

(a) Each approved State shall establish a monitoring inspection fee in an amount required by the Secretary. This fee shall be an amount paid by each manufactured home manufacturer in the State for each transportable section of each manufactured housing unit produced by the manufacturer in that State. In non-approved and conditionally- approved States, the fee shall be set by the Secretary.

(b) The monitoring inspection fee shall be paid by the manufacturer to the Secretary or to the Secretary's Agent, who shall distribute a portion of the fees collected from all manufactured home manufacturers among the approved and conditionally-approved States in accordance with an agreement between the Secretary and the States and based upon the following formula:

(1) \$9.00 of the monitoring inspection fee collected for each transportable section of each new manufactured housing unit that, after leaving the manufacturing plant, is first located on the premises of a dealer, distributor, or purchaser in that State; plus

(2) \$2.50 of the monitoring inspection fee collected for each transportable section of each new manufactured housing unit produced in a manufacturing plant in that State.

(c) A portion of the monitoring inspection fee collected also shall be distributed by the Secretary or the Secretary's Agent based on the extent of participation of the State in the Joint Team Monitoring Program set out in § 3282.308.”

B. List all riders that significantly impact your agency's budget.

Article VII, Business and Economic Development,
Texas Department of Housing and Community Affairs
4. Appropriations Limited to Revenue Collections.
13. Manufactured Homeowner Consumer Claims.

C. Show your agency's expenditures by strategy. See Exhibit 5 Example or [click here to link directly to the example](#).

Texas Department of Housing and Community Affairs Manufactured Housing Division Exhibit 5: Expenditures by Strategy C Fiscal Year 2008 (Actual)		
Goal/Strategy	Total Amount	Contract Expenditures Included in Total Amount
Goal E 1.1 Regulate Manufactured Housing Industry / Provide SOL and Licensing Services in a Timely Manner	\$1,208,526.00	\$44,960
Goal E 1.2 Regulate Manufactured Housing Industry / Conduct Inspections of Manufactured Homes in a Timely Manner	\$1,371,444.00	None
Goal E 1.3 Regulate Manufactured Housing Industry / Process Complaints / Conduct Investigations / Take Administrative Actions	\$1,614,548.00	\$19,267
Goal E 1.4 Regulate Manufactured Housing Industry / Texas Online fees. Estimated and Nontransferable	\$2,273.00	None
GRAND TOTAL:	\$4,196,791	\$64,227

D. Show your agency's objects of expense for each category of expense listed for your agency in the General Appropriations Act FY 2009-2010. See Exhibit 6 Example or [click here to link directly to the example](#). Add columns and rows as necessary.

**Texas Department of Housing and Community Affairs
Manufactured Housing Division
Exhibit 6: Objects of Expense by Program or Function C Fiscal Year 2009**

Object-of-Expense	Program Name	Program Name	Program Name
	Texas Online	SOL & Licensing	Inspections
			Enforcement
Salaries and Wages	\$1,143,680	\$1,105,059	\$969,888
Other Personnel Costs	\$48,750	\$46,250	\$30,000
Professional Fees and Services	\$257,900	\$112,700	\$113,400
Consumable Supplies	\$22,800	\$8,800	\$8,400
Utilities	\$11,457	\$10,353	\$9,190
Travel	\$7,000	\$135,100	\$57,900

Rent – Building		\$12,000	\$23,100	\$6,000
Rent – Machines and Others		\$8,870	\$8,015	\$7,115
Other Operating Expense	\$19,120	\$200,000	\$110,198	\$360,523
Capital Expenditure		\$7,801	\$4,519	\$4,896
Total	\$19,120	\$1,720,258	\$1,564,094	\$1,567,312

E. Show your agency’s sources of revenue. Include all local, state, and federal appropriations, all professional and operating fees, and all other sources of revenue collected by the agency, including taxes and fines. See Exhibit 7 Example or [click here to link directly to the example](#).

Texas Department of Housing and Community Affairs Manufactured Housing Division Exhibit 7: Sources of Revenue C Fiscal Year 2008 (Actual)	
Source	Amount
Training	\$135,198
Titles	\$4,127,258
Licenses	\$1,297,672
Inspections	\$1,269,672
Administrative Penalties	\$25,172
Fees for Copies	\$6,358
Reimbursement for Homeowner’s Recovery Trust Fund	\$188,871
Federal Fund	\$621,218
TOTAL	\$7,671,429

F. If you receive funds from multiple federal programs, show the types of federal funding sources. See Exhibit 8 Example or [click here to link directly to the example.](#)

Texas Department of Housing and Community Affairs Manufactured Housing Division Exhibit 8: Federal Funds C Fiscal Year 2008 (Actual)				
Type of Fund	State/Federal Match Ratio	State Share	Federal Share	Total Funding
Department of Housing and Urban Development (HUD) (Contract for inspections done by MHD on behalf of HUD)	N/A	N/A	N/A	\$621, 218

G. If applicable, provide detailed information on fees collected by your agency. See Exhibit 9 Example or [click here to link directly to the example.](#)

The following information is approximate based on fees and the number of entities paying the fees. Title 10, Section 80.3 of the Texas Administrative Code outlines all of MHD's fees. These fees are established by the MHD Board. In some cases there are statutorily allowed late fees, such as for a late license application or for a late application for a Statement of Ownership of Location. This may result in increased fees. There are also some instances when refunds are deemed necessary. MHD currently has 2 contracts with continuing education providers, but this application is renewed every two years and the renewal was not required in FY 2008.

(Agency Name) Exhibit 9: Fee Revenue C Fiscal Year 2008				
Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory maximum	Number of persons or entities paying fee	Fee Revenue	Where Fee Revenue is Deposited (e.g., General Revenue Fund)
Titles/SOL Processing/TOC 1201.206(h)	\$55.00/per transfer/Board established	75,041 / transfers	\$4,127,258	General Revenue Fund
Licenses/Licensing /TOC 1201.056	Manufacturer- \$850 Retailer-\$550 Rebuilder-\$550 Brokers-\$350	2812	\$1,297,672	General Revenue Fund

	Installer-\$350 Salesperson - \$200/ Board Established			
Inspections/ Field Offices/ TOC 1201.055	\$150- Industry request/New Personal property election \$200-Salvaged/ Board Established	13,984 (Installations) 50 (Complaint Inspections) 0 (Salvaged/Rebuild)	\$1,269,672	General Revenue Fund
Instructional Course/Licensing/TOC 1201.057	\$250/ Board Established	540	\$135,198	General Revenue fund
Contract to provide Continuing Education/Licensing/TO C 1201.058	\$300/ Board Established	0	0 fees collected FY08. Bi- annual fee.	General Revenue Fund

Also See Exhibit D.

VI. Organization

A. Provide an organizational chart that includes major programs and divisions, and shows the number of FTEs in each program or division.

See Exhibit E.

B. If applicable, fill in the chart below listing field or regional offices. See Exhibit 10 Example or [click here to link directly to the example](#).

**Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Exhibit 10: FTEs by Location C Fiscal Year 2008**

Headquarters, Region, or Field Office	Location	Number of Budgeted FTEs, FY 2008	Number of Actual FTEs as of August 31, 2008
Headquarters	Austin	41	41
Field Office (Eastern Region)	Houston	5	5
Field Office (Southern Region)	San Antonio	5	5
Field Office (Northern Region)	Fort Worth	2	2
Field Office (Northern Region)	Lubbock	3	3
Field Office (Northern Region)	Tyler	3	3
Field Office (Eastern Region)	Waco	3	3
Field Office (Northern Region)	Edinburgh	1	1
Field Office(Works From Home, Northern Region)	Henrietta	1	1
TOTAL		64	64

C. What are your agency's FTE caps for fiscal years 2008-2011?

2008 – 64 (4 are shared FTE's with TDHCA)
 2009 – 64 (4 are shared FTE's with TDHCA)
 2010 – 64 (4 FTEs no longer shared with TDHCA since the MHD is relocating)
 2011 – 64 (4 FTEs no longer shared with TDHCA since the MHD is relocating)

D. How many temporary or contract employees did your agency have as of August 31, 2008?

MHD had 3 temporary employees as of August 31, 2008.

E. List each of your agency's key programs or functions, along with expenditures and FTEs by program. See Exhibit 11 Example [or click here to link directly to the example.](#)

Texas Department of Housing and Community Affairs Manufactured Housing Division Exhibit 11: List of Program FTEs and Expenditures C Fiscal Year 2008		
Program	FTEs as of August 31, 2008	Actual Expenditures
Executive Staff	2	\$137,600
Finance	2	\$137,600
Processing & Customer Service	21	\$1,444,797
Consumer Protection	6	\$412,799
Document Control	5	\$343,999
Statewide Field Offices	17	\$1,169,597
Federal Standards Administration	8	\$550,399
TOTAL	61	\$4,196,791

VII. Guide to Agency Programs

Complete this section for **each** agency program (or each agency function, activity, or service if more appropriate). Copy and paste the questions as many times as needed to discuss each program, activity, or function. Contact Sunset staff with any questions about applying this section to your agency.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Statement of Ownership and Location Processing Unit
Location/Division	Austin / Manufactured Housing Division
Contact Name	Verna Boswell and/or James Oliva
Actual Expenditures, FY 2008	\$751,295
Number of FTEs as of August 31, 2008	11

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Processing Unit's purpose is to accurately record ownership, liens, physical location, and whether the home is being treated as personal or real property status. Additionally, the Processing

Unit is charged with the responsibility of maintaining the official state database for manufactured homes.

Objective: The objective of the Processing Unit is to ensure all completed applications are accurately processed within 15 working days and that any applications received incomplete are addressed with the applicant through clear and understandable instruction on how to complete the necessary requirements.

Activities Include:

- Review applications for Statement of Ownership and Location (SOL);
- Ensure completed application for SOL are processed within 15 days pursuant to Section 1201.207 of the Occupations Code;
- Ensure accuracy of a completed application for a SOL;
- Issue and maintain records of SOLs;
- Cure errors found in SOLs that have already been issued through revocation, suspension, or correction of the record; and
- Assist in resolving problems discovered with applications and documentation.

Applications for a SOL are required in order to record the ownership; the physical location of the manufactured home; a change in ownership; a change in location of the home; a change in election; such as personal property, retailer's inventory, real property, salvaged, or business use; and to record or release liens on a manufactured home.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

For FY 2009 to the present MHD received on average 8,400 applications monthly and issued approximately 60,000 SOLs for personal and real property annually within the statutory time line of 15 business days or less. MHD on average generates 3,219 letters requesting additional information. Various methods are used to obtain additional information such as email, fax, correspondence and phone communication to continue processing the SOL application. Routinely this section receives an average of 8,400 applications per month and generates roughly 4,500-6,500 SOLs monthly. The application processing time is mandated at 15 business days on completed applications and is monitored and randomly sampled on a monthly basis.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Effective September 1, 2003, the traditional manufactured housing title was replaced with the Statement of Ownership and Location, which identifies who owns the home, how the home is being treated (personal property or real property), where the home is physically located, any lien holders with a secured interest, and the home identification such as the serial and HUD Label number(s).

Applications that are complete are processed with 15 business days. In the past, the MHD offered a quick processing service within 3 business days, but was discontinued on January 1, 2008, to better utilize the staff and offer a faster processing time to all customers at no extra cost.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

This program is charged with the responsibility of maintaining accurate ownership records for personal and real property status and recording and releasing tax liens. SOL applications that are deemed complete are processed within 15 business days. On average 100,000 applications are received annually and approximately 60,000 SOLs are issued (including reprints). The entities affected are citizens, attorneys, lenders, title companies, taxing officials, appraisal districts, and Federal, State and local governments. Training is essential to ensure that our staff is properly trained to deliver timely, accurate, and effective service.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

See Exhibit F, Exhibit G, Exhibit H, 1, Exhibit H, 2, and Exhibit H, 3.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Appropriated Receipts is the funding source for the Statement of Ownership and Location Processing Unit.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

An internal program that provides a similar process to the Statement of Ownership and Location Processing Unit is the Licensing Unit. Their functions are similar in that both accept applications, review them and issue records based on that information. The Licensing Unit is different from this Section in that it issues licenses to Retailers, Brokers, Manufacturers, Installers, Salespersons, and Re-builders that allow the MHD to regulate the manufactured housing industry in a more efficient manner. Licenses require training and a bond for the consumers' protection. Statement of Ownership and Location is more of a tracking mechanism of manufactured homes to ensure the consumer receives a good and marketable title to their home and that liens are secured.

An external program that may provide a similar function is the Texas Department of Transportation (TxDOT). Their functions are similar in that they both issue a form of title or statement of ownership to track personal property. They are different in that TxDOT tracks automobiles and not manufactured homes. The application process for a Statement of Ownership and Location is more detailed and requires documentation to ensure consumers receive a good and marketable title to their home.

An additional external system that provides a similar service is the county recording offices. Once a manufactured home is converted to real property the proper documentation must be filed with the county records to update ownership of the real property. In some cases the MHD also receives applications to update a Statement of Ownership and Location that is already listed as real property so the owner may use it to file for a homestead exemption. The MHD currently accepts these applications and issues updated Statements of Ownership and Location, but it has been questioned as to whether this falls in the MHD's jurisdiction.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The applications received in Licensing are extremely different from an application for a Statement of Ownership and Location (SOL) and are easily provided to the appropriate Section. Issuing a license allows the MHD to regulate entities in the manufactured housing industry and is not duplicative of the SOL process. For example, even though a Retailer may apply for a SOL and a Retailer's License at the same time the outcome of the two applications are each very unique and are in no way duplicative. The License allows a Retailer to conduct business in the manufactured housing industry, while the SOL allows the Retailer to keep track of the inventory.

If the MHD receives applications that were to be submitted to TxDOT for issuance of a title to a car, the MHD will either return the mail to the sender or forward it to the appropriate party. Manufactured homes are identified by Serial Numbers and HUD Label Numbers and can be easily distinguished from an application for a car title, which would likely include a vehicle identification number (VIN) number. There is no duplication in these areas and if a consumer is confused as to where the title should be filed the proper location is easily identified by the identification number.

With regards to county records, when the agency first receives a request to change personal property into real property the SOL is not perfected until proof is received that demonstrates the SOL was filed in the real property records of the county in which the home is located. Currently once this has been documented the MHD does not verify if in a real property to real property conversion that the County has been notified as this is normally the title companies duty and possibly outside of the MHD's jurisdiction. The MHD mainly issues a new Statement of Ownership and Location for a transfer of ownership for real property only to offer the consumer proof to file for a homestead

exemption; however, it is not a violation of the Texas Occupations Code if an individual fails to apply for a new application when there is a sale of real property.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Statement of Ownership and Location Processing Unit does have some contact with taxing entities from Texas counties. Currently an application for Statement of Ownership and Location for a used home requires a statement from the taxing entity where the home has been located stating that all taxes for the past 18 months prior to the date of sale have been released. If there are questions regarding this portion of the application a processor may be required to contact the appropriate taxing entity.

Another entity the Processing Unit communicates with regularly is the central appraisal districts who receive data from the MHD advising them and the taxing entities of homes installed and titled in their counties.

If it is discovered the home was moved to a new county without a moving permit the Enforcement Unit of the MHD notifies the Motor Carrier Division of the Texas Department of Transportation of a possible violation.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

\$26,975 was the amount of expenditures for FY 2008 for temporary employees in the Statement of Ownership and Location Program.

There were no additional contract expenditures for FY 2008; however, MHD does have additional contract expenditures in FY 2009 for programmers that are developing the new MHD data base system.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Currently the statute enables the MHD to suspend or revoke an SOL under certain circumstances, but the manner is time consuming as it is based on providing due process. The statute does not address how departmental corrections should be made if an SOL has to be corrected once it's issued.

The statute is unclear on whether a home that is converted to real property is still in the jurisdiction of the MHD. While the statute states that it is not under our jurisdiction there is nothing that states that once it is converted to real property that it is no longer a manufactured home by definition.

There is also the requirement of Section 1201.207(g) of the Occupations Code, which requires that proof of taxes paid within the 18 months prior to the date of sale be provided. For personal property this has proven to be very effective, however there is no exclusion for a transaction converting a home from personal to real property and this process conflicts with the existing real estate closing process and results in a high volume of incomplete applications requiring handling multiple times.

The statute includes language requiring forms to be included in the Administrative Rules which cause undue delays and hardship in the MHD meeting its objectives as efficiently as possible. Whenever a form needs a small correction or update the MHD is forced to proceed through the rule making process which is time consuming and unnecessary. This needs to be changed so that the form substance is still directed by law and rule, but the format is not.

The statute currently requires that we notify the taxing entities and appraisal districts each month with a list of all homes installed and titled. This results in wasted paper, time, ink, and postage to mail these huge reports in hardcopy only because the statute requires it. This needs to be changed to state that we will provide information identifying homes installed or titled in Texas counties in electronic format instead of by mail.

The statute requires that owners listed on an SOL elected as real property file the SOL with the County Clerk (real property records) and provide proof of that filing to both the MHD and the tax assessor-collector. This needs to be changed to the Appraisal District, as they are the entity who updates and certifies the tax roll. Also, the MHD should not have to confirm that the owner of record advised the appraisal district of the change in homeownership.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

The MHD is currently in the process of implementing a new database that will allow customers to file applications for SOL online and print their own SOL when complete. A statute change was made in HB 2238 which gave MHD the authority to accept actions that may be accomplished by electronic means and eliminated the requirement to notarize how they wish to elect the home as personal or real property. This change will save time and resources of the MHD allowing the processors to focus more on problem cases and assist Customer Service.

The SOL issuance process includes an internal proofing process performed by the Document Control Unit. The Document Control Unit reviews the SOLs that are issued daily to ensure the quality and completeness of the application. This process acts as quality control for the Statement of Ownership and Location Processing Unit.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- why the regulation is needed;
 - the scope of, and procedures for, inspections or audits of regulated entities;
 - follow-up activities conducted when non-compliance is identified;
 - sanctions available to the agency to ensure compliance; and
 - procedures for handling consumer/public complaints against regulated entities.

This is not a regulatory program.

VII. Guide to Agency Programs

Complete this section for **each** agency program (or each agency function, activity, or service if more appropriate). Copy and paste the questions as many times as needed to discuss each program, activity, or function. Contact Sunset staff with any questions about applying this section to your agency.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Customer Service
Location/Division	Austin / Manufactured Housing Division
Contact Name	Verna Boswell and/or James Oliva
Actual Expenditures, FY 2008	\$621,263
Number of FTEs as of August 31, 2008	9

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Customer Service’s Section purpose is to represent MHD in such a way to instill public trust and confidence by accurately interpreting and explaining rules, regulations, procedures and policies regarding the Statement of Ownership and Location Process. The Customer Service Representatives are charged with the responsibility of providing accurate SOL information and delivering impeccable customer service. Within the Customer Service Unit is the Support Services Section that provides a point of contact for non-consumers involved in the recordation of ownership or location of a manufactured home, such as title or abstract companies, lenders, attorney’s office, taxing entities, appraisal districts, and/or retailers. In addition to providing information on the SOL process, the Customer Service Unit and Support Service Section provide assistance, guidance, and clarification on Requests for Additional Information (RAI) generated on incomplete applications.

Objective: The objective of Customer Service is to provide accurate information regarding the SOL process in order to foster the submittal of completed applications which may result in only one necessary submission.

Activities Include:

- Convey clear and concise information regarding the manufactured housing industry to individuals;
- Assist in completing applications for Statement of Ownership and Location;
- Provide interpretation of the appropriate statute and rules for the public;
- Assist with the processing of a Statement of Ownership and Location; and
- Answer questions regarding problems with individual's manufactured homes.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

On a monthly average, the Customer Service Unit and Support Services Section responds to 4, 259 calls, assist 300 - 500 walk-in customers, mail out 1,184 form packets, record and perfect 1,113 SOLs as real property and responds to 1,205 email inquires. The primary responsibilities of these functions are to disseminate information pursuant to Chapter 1201 of the Occupations Code in a clear, precise and accurate manner in addition to:

Providing bilingual assistance;
Providing input and assistance on RAIs (Request for Additional Information);
Resolving complex problem applications and/or inquiries;
Recording SOL Deed recordation;
Process SOLs requiring immediate attention;
Ensuring that MHD corrections are identified and resolved timely and efficiently; and
Mailing out all SOLs and RAIs issued.

Current customer service inquiries consist of current application status, forms, procedural questions, tax lien information, conversions to real property, researching chain of title research, and questions on applications returned for completion and additional information.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In January of 1989, the Customer Service section was developed under the Department of Labor and Standards with a focus on many different areas, which included manufactured housing. In 1995,

MHD was moved to the Texas Department of Housing and Community Affairs and the Customer Service area narrowed its focus to strictly manufactured housing. The Customer Service Section provides service for walk-in customers, handles an overwhelming, high volume of phone calls, email inquires and fax requests with a focus on applying the “First Impressions” guidelines which are basic techniques for delivering excellent customer service. The Customer Service Unit is extremely informed of the law and rules and effectively delivers assistance relative to the Statement of Ownership and Location process.

The Customer Service Unit has enhanced its efficiency by creating a separate toll free number for the Support Services Section, which assists industry members, enabling more availability on the consumer customer service line.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Customer Service affects the consumers and industry members that need general assistance in interpreting the manufactured housing laws and rules and ensuring all forms are completed in a correct manner. Customer Service will assist any individual to the best of their ability with questions regarding manufactured housing. Customer Service replies to approximately 1,200 e-mails a month, assists approximately 300 - 500 walk-in customers in person and answers approximately 4300 of the 20,000 phone calls received a month. See Exhibit F.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

See Exhibit F and Exhibit I for a flow chart of the customer service process and operating statistics.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Appropriated Receipts is the funding source for the Customer Service Unit.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Internally, the Office of Consumer Protection offers a similar service to the Customer Service Unit. Both sections answer questions from the public regarding the manufactured housing industry. However, the Office of Consumer Protection focuses on resolving consumer complaints that could

possibly be the result of a violation of the statute or a rule; then the Enforcement Unit investigates complaints and initiates enforcement actions for violations when appropriate. The Customer Service Unit assists individuals with how to obtain an SOL.

Externally, almost all state agencies offer some form of customer service to give the public unbiased assistance on how to comply with the various laws. Of course our Customer Service Unit is unique in that we are the only Customer Service Unit that informs the public about the manufactured housing industry and how to properly record a Statement of Ownership and Location with the MHD.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

To avoid duplication with the Consumer Complaints Unit, the MHD has implemented a separate toll-free number specifically for Consumer Protection Complaints, which like the Support Services Section number, reduces the call volume enabling more consumers to be assisted. This phone number is identified on our website and reduces the number of phone calls and questions that must be reviewed by customer service before they are forwarded to Consumer Protection. Education of this information is the best way to avoid duplication. An announcement was issued to all licensees and posted to our website to inform people of the Consumer Complaints toll-free number.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Customer Service Unit does not directly correspond with other local regional or federal units of government on a daily basis, but they are there to assist any individuals that call in with questions regarding the manufactured housing industry. If another government agency requests assistance Customer Service will either answer the question or direct the entity to someone who can help.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

\$21,195 was the amount of expenditures used in FY 2008 for temporary employees in the Customer Service Unit.

L. What statutory changes could be made to assist this program in performing its functions?

Explain.

Customer Service is not specifically addressed in our statute, but the recent change from House Bill 2238, allowing the electronic processing of Statement of Ownership and Location applications, will benefit the customer service component as staff members in other areas can assist with general customer service.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Customer Service employees receive approximately 3 months of training. First, the manager will review the law and rules with the new employee and train them on the process. The next step of the training process is for the new employee to follow and listen to a more experienced employee as they assist individuals. And lastly, the new employee begins responding to inquiries with the manager monitoring the phone calls or e-mail responses. This allows the manager to identify and address any issues that are not consistent with the manner in which we convey information or incorrect in content.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

This is not a regulatory program.

VII. Guide to Agency Programs

Complete this section for **each** agency program (or each agency function, activity, or service if more appropriate). Copy and paste the questions as many times as needed to discuss each program, activity, or function. Contact Sunset staff with any questions about applying this section to your agency.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Office of Consumer Protection – Enforcement Unit
Location/Division	Austin/ Manufactured Housing Division
Contact Name	Amy Morehouse and or James Hicks
Actual Expenditures, FY 2008	\$412,799
Number of FTEs as of August 31, 2008	6

B. What is the objective of this program or function? Describe the major activities performed under this program.

Objective: The objective of the Office of Consumer Protection – Enforcement Unit is to administer the laws assigned by the Legislature in an efficient, consistent, and impartial manner that provides effective consumer remedies and the discipline of licensees who violate the law and rules of the MHD.

Activities Include:

- Review and investigate Consumer Complaints;
- Investigate unlicensed activity;
- Intake of consumer phone calls;
- Hold Director Disciplinary Meetings;
- Prepare cases for hearings at State Office of Administrative Hearings;
- Ensure complaint resolution;
- Respond to legislative inquiries;
- Assist other regulatory and law enforcement agencies;
- Prepare cases for the Homeowners Recovery Trust Fund;
- Issue records of Statements of Ownership and Location;
- Discipline licensees who violate the law to include, probation, suspension, and revocation of licensure; and
- Scan closed complaint files.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

One of the goals of the Enforcement Unit is to gain voluntary compliance from licensees. In FY 2007, 922 complaints were resolved informally, while 130 complaints required the pursuit of administrative action. In FY 2008, 706 complaints were resolved informally, while 97 complaints required the pursuit of administrative action.

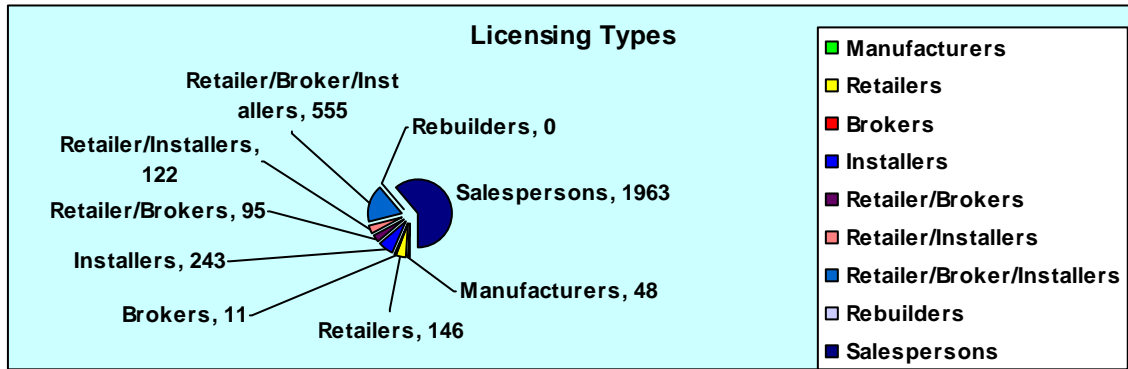
D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In January 2008, changes to Chapter 1201 of the Texas Occupations Code went into effect. These changes increased the penalties for violations from a maximum penalty of \$1,000.00 per violation to a maximum penalty of \$10,000 per violation. The amendment also allowed the criminalization for the violations that are willfully committed, unlicensed activity and the sale of a salvaged home. This change makes jail time a possibility for certain violations. Additionally, the Director's Disciplinary Meetings became a requirement for cases where a licensee failed to take corrective action as the result of a warranty order issued by the director. This is an informal meeting required prior to the MHD issuing a Notice of Violation in order to resolve the issue of a possible violation of a warranty order.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Enforcement Unit affects both consumers and licensees. In order for MHD to have enforcement jurisdiction, complainants must be Texas consumers of manufactured housing. The Enforcement Unit answers approximately 8600 phone calls annually and investigated 845 complaints in FY 2007; and 731 complaints in FY 2008. Licensees are also affected as they are subject to disciplinary action for violating the Act or Rules.

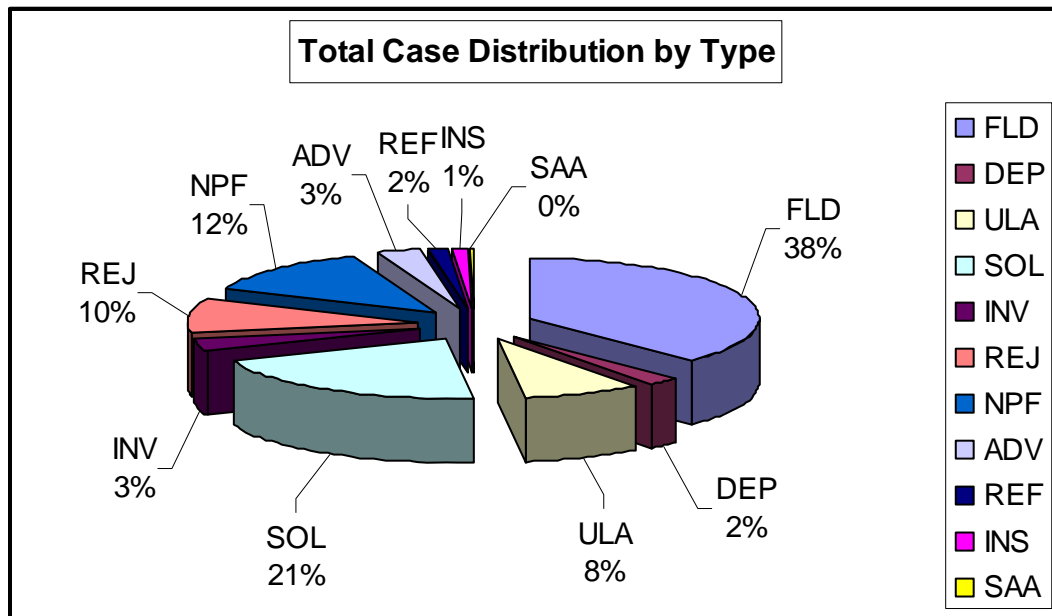
The following is a breakdown of Licensees regulated by MHD as of August 21, 2009:



F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

As a State Administrative Agency for HUD, the MHD ensures the effectiveness of handling consumer complaints and provides for the imposition of civil and criminal penalties when needed. When a complaint is received by the MHD, it is reviewed for its legal validity and jurisdiction. Once established, the complaint is assigned to an investigator who will gather all of the appropriate evidence and investigate the complaint. If the investigator determines that a violation has occurred, he/she will initiate administrative action. As part of all administrative action, compliance includes corrective action of any and all assignable non-compliance. The target time for investigating and resolving a consumer complaint is 180 days. The average resolution time for FY2007 was 193.1 days and the average resolution time for FY 2008 was 128.5 days. The significant drop in resolution time between years was the result of a more aggressive approach by management to monitor resolution time for caseloads.

The following is a breakdown of the types of complaints pursued by MHD in FY2008.



FLD	All Cases Transferred to Field for Inspection
DEP	Deposit not Refunded to Consumer
ULA	Unlicensed Activity
SOL	Failure to get Statement of Ownership and Location
INV	Investigation
REJ	Rejected (No Complaint Form; etc)
NPF	Need Proof of Notification
ADV	Improper Advertising
REF	Referred to Other Entity (Processing; TDLR; etc)
INS	Installation Violation
SAA	Federal Standards; Manufacturer Defect; Class Action

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Appropriated Receipts and Federal Funding are the sources of funding for the Enforcement Unit.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Internally, the Customer Service Section offers a similar service to the public. Both sections answer questions from the public regarding the manufactured housing industry. However, the Enforcement Unit focuses on resolving consumer complaints that could possibly be the result of a violation of the Act or Rules. The Enforcement Unit investigates complaints and initiates enforcement actions for violations when appropriate. The Customer Service Unit assists individuals with the SOL process.

Externally, the Enforcement Unit works with local law enforcement and DA offices to prosecute criminal law violations. The MHD may investigate complaints of this nature and gather evidence. When it becomes clear that criminal prosecution is appropriate a referral will be made to the appropriate prosecuting agency. The Prosecuting agency will then seek a criminal penalty.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

To avoid duplication with Customer Service Unit, the MHD implemented a separate toll-free number specifically for Consumer Protection Complaints. This phone number is identified on our website and reduces the number of phone calls and questions that must be reviewed by customer service before they are forwarded to Consumer Protection. Education of this information is the best way to avoid duplication. An announcement was issued to all licensees and posted to our website to inform people of the Consumer Protection toll-free number.

The MHD avoids duplication with prosecuting agencies by maintaining a high level of communication with the prosecuting attorney. For example, if a case is being pursued criminally, but the prosecutor does not have the ability to revoke a retailer's license, the MHD will continue the administrative case solely to revoke the license, but leave penalty collection to the prosecutor if appropriate.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Enforcement Unit works with local law enforcement and DA offices to prosecute criminal law violations. Currently the MHD lacks the ability to seek criminal penalties without the assistance of a prosecutor. Therefore referrals of cases are made to the appropriate prosecuting agency when a criminal violation occurs.

The Enforcement Unit also works with the Attorney General's Office, other state agencies, and federal law enforcement agencies to assist with manufactured housing cases. The Attorney General will represent the MHD if a violation order is appealed to District Court.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

\$16,057 was the amount of expenditures in fiscal year 2008 for temporary employees in the Enforcement Unit.

Additionally Enforcement has a contracted expenditure with Lexis/ Nexis for Accurint.

- In fiscal year 2008 this contract cost \$4197.50;
- It was contained in one contract;
- This contract allows Enforcement to review and investigate public information regarding licensees and unauthorized individuals in the manufactured housing industry, including but not limited to, finances, criminal background and property owned;
- Only the lead investigator has access to this account; and
- No problems have occurred with this account.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

The current statute allows for criminal prosecution for certain violations of the Act. However, current law does not allow for the MHD to employ TCLEOSE (Texas Commission on Law Enforcement Officer Standards and Education) certified peace officers. A criminal division would allow for quicker response times to unlicensed activity complaints as well as more proactive enforcement. A criminal division would also most likely require additional attorneys to prosecute

cases as well as support personnel.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Unlike most other state agencies, the Enforcement Unit also utilizes the MHD's Homeowners Recovery Trust Fund to compensate a consumer who sustains actual damages from an unsatisfied claim against a licensed manufacturer, retailer, broker, or installer when the unsatisfied claim results from a violation of Chapter 1201 of the Texas Occupations Code; 10 Texas Administrative Code, Chapter 80; U.S.C. Section 5401 et seq.; a rule or regulation of the United States Department of Housing and Urban Development; or Subchapter E, Chapter 17, Business and Commerce Code. A claim must be filed in writing within two years of the act or omission was discovered or should reasonably have been discovered. The payment of actual damages is limited to \$35,000 per claim.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

- Regulation of this industry is needed to administer the laws assigned by the legislature in an efficient, consistent and objective manner. Regulation is also needed to provide effective consumer remedies and to provide a business environment where licensees are held to uniform standards.
- Audits of licensees' business locations and records are conducted two times per year by the Division's field staff. The field staff also inspects complainant's manufactured homes for non-compliance issues.
- When a non-compliance issue is identified, the responsible licensee is sent a Warranty Order directing the licensee to take corrective action within an assigned time frame. This time frame is generally 30 calendar days unless the non-compliance is an imminent safety hazard, which requires immediate corrective action. Failure to take corrective action within the allotted time period results in administrative action.
- Administrative action and/or sanctions are taken in a consistent manner per MHD guidelines. Monetary sanctions range from a warning letter to \$10,000 per violation. However, there are certain acts such as operating without a license, selling a salvaged home, or knowingly and willfully violating the Act or Rules in a manner that threatens a consumer's health and safety that can result in criminal charges to include additional criminal penalties and confinement in jail for up to one year.
- When a complaint is received by the MHD, it is reviewed for its legal validity and jurisdiction. Once established, the complaint is assigned to an investigator who will investigate the complaint. If the investigator determines that a violation has occurred, he/she

will initiate administrative action. As part of all administrative action, compliance includes corrective action of any and all assignable non-compliances.

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Texas Department of housing and Community Affairs Manufactured Housing Division (Regulatory Program Name) Exhibit 12: Information on Complaints Against Regulated Persons or Entities Fiscal Years 2007 and 2008		
	FY 2007	FY 2008
Total number of regulated persons (Salespersons)	634	719
Total number of regulated entities (Retailers, Brokers, Manufacturers.)	1502	2094
Total number of entities inspected	6813	6135
(Plant)	4	5
(Retailers)	646	967
(Homes)	6703	5926
Total number of complaints received from the public	845	731
Total number of complaints initiated by agency	68	75
Number of complaints pending from prior years (currently open cases)	0	2
Number of complaints found to be non-jurisdictional	4	4
Number of jurisdictional complaints found to be without merit	276	200
Number of complaints resolved	1052	803
Average number of days for complaint resolution	193.1	128.5
Complaints resulting in disciplinary action:	31	46
administrative penalty	\$16,718	\$25,172
Reprimand (Warning Letters)	25	19
Probation	0	1
Suspension	1	0
Revocation	0	2
Other	0	0

VII. Guide to Agency Programs

Complete this section for **each** agency program (or each agency function, activity, or service if more appropriate). Copy and paste the questions as many times as needed to discuss each program, activity, or function. Contact Sunset staff with any questions about applying this section to your agency.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Licensing Unit
Location/Division	Austin/Manufactured Housing Division
Contact Name	James Hicks and/or Kristina Loera
Actual Expenditures, FY 2008	\$72,239
Number of FTEs as of August 31, 2008	1

B. What is the objective of this program or function? Describe the major activities performed under this program.

Objective: The objective of the Office of Consumer Protection’s – Licensing Unit is to accurately and timely process state occupational licenses for the manufactured housing industry in an efficient, consistent, and impartial manner and to keep an accurate record of such licenses.

Activities Include:

- Review applications for licenses;
- Check computer criminal history for all licensees;
- Ensure that completed application for licenses are processed within 7 business days pursuant to Section 80.41(e)(1)(A) of the Rules;
- Intake of licensing phone calls;
- Administer the 20 hour Licensing Education Class;
- Approve Continuing Education Providers;
- Process refunds when appropriate;
- Update Licensee records;
- Send requests for additional information (RAIs)
- Send out renewal notices and cancellation notices for License status;
- Enter bond/insurance information for license;
- Notify inventory lenders when original Manufacturer’s Certificate of Origin are not surrendered by licensed retailers.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The Licensing Unit is required to process a completed license application within seven (7) business days of receipt. In FY 2007, the area showed a 98% success rate. In FY2008, the success rate grew to 99%. So far in FY 2009, the success rate is holding at 100%.

New Licenses issued were as follows:

License Type	FY2007	FY2008
Manufacturers	5	0
Retailers	18	40
Brokers	1	5
Installers	19	38
Rebuilders	0	0
Salespersons	650	691
Retailer/Broker	16	16
Retailer/Broker/Installer	56	81
Retailer/Installer	14	17
TOTALS	779	888

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In January 2008, changes to Chapter 1201 of the Texas Occupations Code went into effect. These changes included licenses being changed from one year licenses to two year licenses. Additionally, all new applicants must take the 20 hour Licensing Education Class (in the past Salespersons were exempt) and an examination was imposed, and all license renewals require the completion of an eight (8) hour continuing education class.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

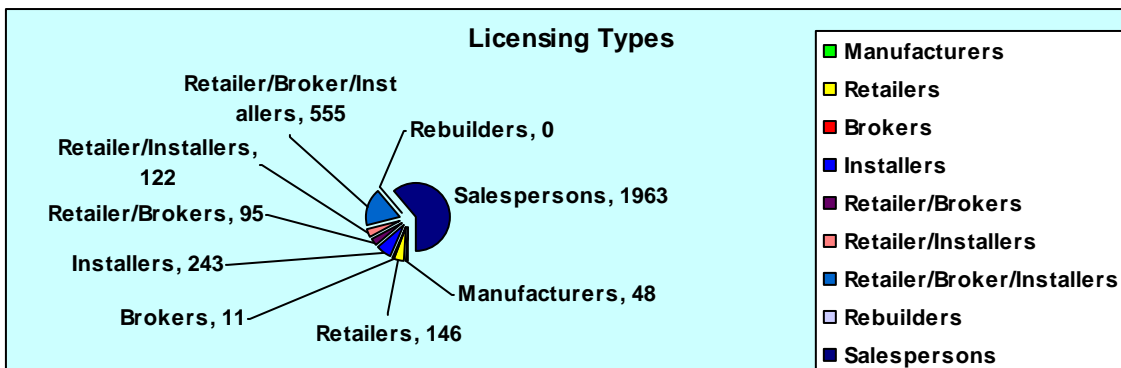
The Licensing Unit affects both consumers and licensees. Licensees go through a criminal background check, are required to go through an initial 20 hour licensing class plus continuing education upon renewal, and all (except Salespersons) are required to maintain an active bond on file with the MHD. These steps all help protect the Texas consumer. In FY 2008, a total of 46 disciplinary actions were taken against licensees for law and/or rule violations.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The Licensing Unit processes license applications as follows:

- Review application to make sure it is complete;
- Verify money received;
- Conduct criminal background check;
- If application is incomplete, RAI (Request for Additional Information) is issued;
- Enter application into computer database system;
- A license number is issued by computer database system; and
- License is printed, copied & mailed to license holder.

Licensing types are broken down as follows:



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Appropriated Receipts is the funding source for the Licensing Unit.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

An internal program that provides a similar process to the Licensing Unit is the Statement of Ownership and Location Processing Unit. Their functions are similar in that both accept applications, review them and issue records based on that information. The Licensing Unit is different from this Section in that it issues licenses to Retailers, Brokers, Manufacturers, Installers,

Salespersons, and Re-builders that allow the MHD to regulate the manufactured housing industry in a more efficient manner. Licenses require training and a bond for the consumers' protection. Statement of Ownership and Location is more of a tracking method of manufactured homes to ensure the consumer receives a good and marketable title to their home.

An external program that may provide a similar function is the Real Estate Commission. Their functions are similar in that they both issue state regulated occupational licenses which facilitate home ownership. They are different in that the MHD concentrates only on manufactured housing licenses that regulate the transfer of manufactured homes that are elected as personal property. The Real Estate Commission regulates licensees that sell real estate and manufactured homes that have been elected as real property.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The applications received in Licensing are extremely different from an application for a Statement of Ownership and Location and are easily provided to the appropriate Section. Issuing a license allows MHD to regulate entities in the manufactured housing industry and is not duplicative of the Statement of Ownership and Location process. For example, even though a Retailer may apply for a Statement of Ownership and Location and a Retailer's License at the same time the outcome of the two applications are each very unique and are in no way duplicative. The license allows a Retailer to conduct business in the manufactured housing industry, while the Statement of Ownership and Location allows the Retailer to keep track of the inventory.

The Texas Real Estate Commission is a different entity with a different application process and requirements to receive a real estate license. To avoid conflict or duplication the MHD has developed statutes and rules used to accommodate real estate agents selling manufactured homes. For instance, Section 1201.007 of the Occupations Code states that chapter 1201 does not: (1) modify or amend Chapter 1101 or 1102; or (2) apply to a person who is licensed as a real estate broker or salesperson under Chapter 1101 and who, as agent of a buyer or seller, negotiates the sale or lease of a manufactured home and the real property to which the home is attached if: (A) the same person is the record owner of both the manufactured home and the real property; and (B) the sale or lease occurs in a single real estate transaction. This statute ensures that an individual is not necessarily required to get both a manufactured housing license and a real estate broker's license.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Licensing Unit works with the Texas Comptroller's Office by reporting licensees who stated on their application that they are in arrears on payment of state sales taxes.

The Licensing Unit works with the Guaranteed Student Loan Corporation identifying licensees with outstanding government student loans and delaying subsequent renewals until the debt is paid or payment arrangements are approved.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

None.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

The current statute allows for the issuance of Branch Licenses or one License that represents a number of Licensee locations. Since the creation of this statute in January 2008, no licensee has selected to use this type of license. The applicant does not save any money when applying for this license as the licensee must still receive a separate bond for each location. It is also negative for all branch locations when one location receives a notice of a violation. An increase in penalties may result for one branch location based on another branch locations prior violation. This type of License seems unnecessary and should be removed from the system.

Additionally, proof of identification should be required for all license applications to ensure the authenticity of the licensee. Proof should be a photograph to keep on record. This may deter future fraudulent activity sharing licenses.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

When a consumer suffers actual damages resulting from the violation of a Licensee, the homeowner's recovery trust fund will compensate the consumer and the Licensee's bond will reimburse the Homeowner's Recovery Trust Fund. Unlike most other state agencies, the Licensing Unit requires a bond from licensees in order to enable the Enforcement Unit to utilize the Homeowners Recovery Trust Fund to reimburse or to correct actual damages from a licensee who either went out of business or fails to take corrective action. The licensee's bond will be used to reimburse the Homeowner's Recovery Trust Fund.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- why the regulation is needed;
 - the scope of, and procedures for, inspections or audits of regulated entities;
 - follow-up activities conducted when non-compliance is identified;
 - sanctions available to the agency to ensure compliance; and
 - procedures for handling consumer/public complaints against regulated entities.

See Enforcement Program Information.

- O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.**

See Enforcement Program Information.

VII. Guide to Agency Programs

Complete this section for **each** agency program (or each agency function, activity, or service if more appropriate). Copy and paste the questions as many times as needed to discuss each program, activity, or function. Contact Sunset staff with any questions about applying this section to your agency.

- A. Provide the following information at the beginning of each program description.**

Name of Program or Function	Field Offices
Location/Division	See Field Office Chart / Manufactured Housing Division
Contact Name	Bradlee Dansbee and/or Sergio Salinas
Actual Expenditures, FY 2008	\$1,169,597
Number of FTEs as of August 31, 2008	17

- B. What is the objective of this program or function? Describe the major activities performed under this program.**

Objective: To obtain hard data through inspections and communications with consumers, retailers, installers, and manufacturers, and forwarding the data to the Austin headquarters.

Activities Include:

- Consumer complaints;
- Installation Inspections: Inspect at least 25% of homes installed;
- Retail Monitoring: Audit retailers to make sure they comply with the Laws and Rules;
- Portfolio Management and Compliance: Work done for TDHCA;
- Inspect Migrant Labor Facilities: Work done for TDHCA;
- Habitability Inspections: Inspections done for SOL applicants converting a home from real property or business use to residential;
- SAA Inspections: Inspections performed for HUD;
- Back-up customer service for the Austin Headquarters: Help mainly with SOL's (titling);
- Monitoring of city/county installation contracts;
- Investigate manufactured housing unlicensed activity;
- Property Disaster Assessment Inspections (PDAI) for governor's office; and
- Data entry of all Notice of Installations (NOI).

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Objective: The objective is to perform consumer complaints within 30 days from notice of a consumer requesting an inspection. Also, inspecting 25% of homes installed.

- Performed 252 consumer complaint inspections. 99% were performed with the 30 days required. These numbers are from FY 2008.
- Performed 197 habitability inspections. (FY 2008)
- Performed 967 retailer monitoring audits. (FY 2008)
- Performed 178 Portfolio Management Compliance inspections. (FY 2008)
- Performed 25 Migrant Labor Facility inspections. (FY 2008)
- Completed 31% of the NOI's (Notice of Installation) received.

Please see attached spreadsheet for all work completed in the field for FY 2008. (Exhibit J,1 and Exhibit J,2)

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The original intent has not changed, but the role of the field offices has been enhanced through law changes. Current law now requires that the MHD monitor both the retailer's and installer's records to ensure proper disclosures have been provided to the consumer and to uncover potential fraud. Pursuant to federal mandates, the installer is now responsible for the installation of new homes (in

the past the consumer was responsible), so to reduce non-compliance issues, the field has become more pro-active with the license holders to ensure compliance.

The MHD installation inspections have become much more technical in nature, due to federal mandates imposed on installation standards as a result of past installation issues.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Field office function affects

- consumers (approximately 45%),
- retailer sales centers (approximately 15%),
- manufacturers of manufactured homes (approximately 15%),
- installers (approximately 15%),
- salespersons (approximately 5%),
- municipalities (installation contracts) (approximately 4%), and
- taxing authorities (approximately 1%).

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

There are 7 field offices and 1 home office that are administered by 1 manager and 1 co-manager, who work under the Executive Director. The field offices are located in Lubbock, Ft. Worth, Tyler, Houston, Waco, San Antonio, and Edinburgh. The home office is in Henrietta. The Ft. Worth, Tyler, Edinburgh, and Henrietta offices are for inspectors only, no support staff. The field office manager is over all of the field offices, with co-manager over the Houston office. There are currently 23 full time employees in the field. 6 of the FTE's work under the Federal Standards Administrator and 17 under the field office manager. Of the 23, 19 are inspectors and 4 are administrative assistants. See Exhibit J,1 and Exhibit J,2 and Attachment 13.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Appropriated receipts and Federal Funding are the funding sources for the Field Offices.

H. Identify any programs, internal or external to your agency, that provide identical or similar

services or functions. Describe the similarities and differences.

The agency currently contracts with cities or counties who are interested in performing installation inspections. Currently there are 5 such contracts state wide. The contractors perform installation only inspections within there jurisdiction.

Center, City of
PO Box 1744
Center, TX 75935

Hutchins, City of
PO Box 500
Hutchins, TX 75141

Levelland, City of
PO Box 1010
Levelland, TX 79336

Pasadena, City of
PO Box 672
Pasadena, TX 77501

West Orange, City of
2700 Western Avenue
Orange, TX 77630

The HUD Federal Regulations are regulated by the Federal Standards program but are administered by the Consumer Protection and Field Offices. The following tasks are performed by the field.

- Consumer Complaint Inspections;
- Installation Inspections;
- Retail Monitoring; and
- Installer Monitoring.

There are currently 5 inspectors that work out of the field offices that are under Federal Standards section. There is 1 administrative assistant that is under Federal Standards section.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Duplication is avoided with use of specific inspection report forms and standard operating procedures (SOP's). Different management team administers the functions to field office operations that include agency contract agreement. Duplication is further avoided by identifying a respective contract party and assigning those inspections to that party. Conflicts are avoided through weekly agency assignments and activity planning. Specific function in-house training is offered. Effective communications is provided via general e-mail correspondences guidelines including memorandums Information mentioned beforehand allows the field office inspector & administrative support staff to convey the functions to the agency's customers.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

- City / county offices: Contracts to perform installation inspections of manufactured homes.
- District Attorney Offices: Assisting with search warrants.
- Texas Dept. of Transportation (TXDOT): Providing transportation permits involving investigative cases. Local taxing authorities: Provide ownership data involving investigative cases.
- Texas Secretary of State: Provide corporate or dba data involving investigative cases.
- Texas Real Estate Commission: Provide data on possibility of Subject having a real estate license involving an investigative case.
- These governmental units are used as investigative contacts.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

None.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Lenders are exempt from the statute but need to be accountable to some respect. Perhaps require the lenders to report homes foreclosed which may assist in reducing sales by unlicensed individuals.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

The field offices engage in multiple facets of activity including inspections and reviews made for TDHCA (non-MHD activity).

- Performing Portfolio Management & Compliance Inspections (PMC): Inspecting apartments and single family dwellings to meet Fair Housing Act (FHA) and Uniform Federal Accessibility Standards (UFAS).
- Migrant Labor Camp Inspections (MLCI): Inspecting facilities that are used to house migrant labor workers.
- Conducting State Administrative Agency (SAA) (in-plant paperwork monitoring) Inspections.
- Property Disaster Assessment Inspections (PDAI) for governor's office: Performing on site inspections following disasters, such as hurricanes, floods, and/or tornadoes.
- Performing Housing Building Technology (HBT) inspections through HUD contract: Performing audits at manufactured housing plants in the state.
- Similarities: Site inspections of buildings & housing and their conditions. Differences: Some non-manufactured housing inspections.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

- Regulation needed to fulfill the requirements of the Federal Manufactured Home Construction and Safety Standards (FMHCSS) regarding home warranties & FMHCSS Installation program regarding proper home installation. To avoid sales fraud of manufactured housing in the State. In general to provide a safe and durable manufactured home dwelling to the public. To provide a remedy to consumers with manufactured housing warranty issues and educate the public including industry.
- Scope of regulated entities include file reviews at retail locations for proper disclosures, installer file reviews for record keeping purposes, SAA manufacturer (in-plant) reviews for consumer complaint and warranty handling. A sampling of witnessing the installation of a multi-wide home.
- 30-Day or as appropriate follow up reviews at retail locations performed to ensure compliance. Additional inspections performed after consumer complaint inspections as requested by consumer or advised by inspector. Additional installation inspection

performed to verify work / correction of an installer identified as having a provisional license. Additional installation inspection performed to verify a critical aspect of an installation deviation.

- Sanctions include (see Chapter 2001 Government Code) (hearing process), (see Chapter 1201 (Law) & Chapter 80 (Rules) / (matrix) & Director’s Disciplinary Meeting (DDM)).
- Handling of consumer complaints are through Standard Operating Procedures (SOP’s). This includes the agency Homeowner Recovery Trust Fund (HORTF) program involving industry license party or parties who are identified as out of business. The fund is recovered by respective industry license party security bond.

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency’s practices.

See Enforcement Program Information.

VII. Guide to Agency Programs

Complete this section for **each** agency program (or each agency function, activity, or service if more appropriate). Copy and paste the questions as many times as needed to discuss each program, activity, or function. Contact Sunset staff with any questions about applying this section to your agency.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Federal Standards Administration/Tax Liens
Location/Division	Austin-Field Offices/Manufactured Housing Division
Contact Name	Cindy Bocz
Actual Expenditures, FY 2008	\$550,399
Number of FTEs as of August 31, 2008	8

B. What is the objective of this program or function? Describe the major activities performed under this program.

Objective: The objective of the Federal Standards Program is to work as the designee for the Department of Housing and Urban Development (HUD) to administer the Manufactured Housing Procedural and Enforcement Regulations. The primary activities are as follows:

- In plant Manufacturers Audits;
- Specialized Complaint Inspections;

- Retailer Lot Audits;
- Perform class searches at manufacturing facility; and
- Data Entry of Tax Lien Recordation and Releases.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Since fiscal year 2007 the MHD has performed approximately one hundred audits on the manufacturing facilities in Texas. Our agency also travels with a 3rd party contractor appointed by HUD to perform similar audits in other states.

Our agency also works very closely with other states and with HUD to shares ideas and form new procedures and regulations through meetings with the Council of State Administrative Agencies. In September 2005, our agency was given the responsibility to process tax liens for personal property taxes. Since that time we have processed over two million tax lien recordation and releases for the state of Texas.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In 2000 the Manufactured Housing Improvement Act of 2000 was established. This law required the creation of a federally mandated Installation Inspection Program and a Dispute Resolution Program. Each state was given the opportunity to provide a self certification which stated their ability to comply with and run their own programs in their state. In 2008, the MHD submitted a self-certification for both programs and was approved. Changes were made to existing rules to ensure our full compliance with the Federal program guidelines and federal installation mandates imposed in the same year.

Our agency is currently the only entity that attaches personal property tax liens to manufactured homes and which requires that taxes be paid within 18 months prior to the date of sale, in order for a subsequent Statement of Ownership and Location (SOL) to be issued.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Internally, it affects field staff by requiring that inspections be performed on manufacturers in Texas and when needed, out of state, and requires internal staff to record and release tax liens. Externally, it affects the manufacturers and retailers in Texas and out of state and the taxing entities and

consumers of manufactured homes.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The MHD entered into a state plan with HUD, which is an agreement that certain functions will be carried out. The Agency must ensure the effectiveness of handling of consumer complaints; provide adequate personnel; provide for the imposition of civil and criminal penalties; provide for the notification and correction procedures; and provide oversight by the SAA of remedial action, and manufacturer's handling of consumer complaints. See Exhibit J,1.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Appropriated Receipts and Federal Funding are the funding sources for the Federal Standards section.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

The HUD Federal Regulations are regulated by the Federal Standards program but are administered by the Consumer Protection and Field Offices. Internally the Field Offices provide similar services as they also inspect manufactured homes for deficiencies. These inspections; however, are used to find both Federal deviations as well as ensure the home complies with State required standards. There is no duplication, but a valuable use of state resources. The only External party that may conduct a similar service would be HUD, but because they contract their regulation of these entities to our inspectors there is no overlap or duplication.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Our agency exclusively oversees the compliance to the HUD building code. Currently, we have a State Plan agreement between our agency and HUD to perform these functions. No other state or federal agency provides these services.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

No duplications exist. No other agency performs plant inspections. Furthermore, our agency is the only agency that records tax liens of manufactured homes regarding personal property.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

None.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

None. Federal Rules.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

N/A

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Implement Federal Standards / Recordation of Tax Liens. Also see Field Office Comments.

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

<p>Texas Department of housing and Community Affairs Manufactured Housing Division (Regulatory Program Name) Exhibit 12: Information on Complaints Against Regulated Persons or Entities Fiscal Years 2007 and 2008</p>		
	FY 2007	FY 2008

Total number of regulated entities	25	19
Total number of entities inspected	50	38

VII. Guide to Agency Programs

Complete this section for **each** agency program (or each agency function, activity, or service if more appropriate). Copy and paste the questions as many times as needed to discuss each program, activity, or function. Contact Sunset staff with any questions about applying this section to your agency.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Document Control Unit
Location/Division	Austin / Manufactured Housing Division
Contact Name	Heidi Maldonado
Actual Expenditures, FY 2008	\$343,999
Number of FTEs as of August 31, 2008	5

B. What is the objective of this program or function? Describe the major activities performed under this program.

Objective: The Document Control Unit's purpose is to provide internal services that support the other major functions of MHD. The primary activities of this section are as follows:

- Review Statements of Ownership and Location (SOLs) to ensure accuracy;
- Inventory, image/scan, and/or store processed documents for specified record series in accordance with the approved retention schedule;
- Mail issued Texas Seals; and
- Sort and distribute the MHD mail.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Since August 19, 2005, the MHD has imaged over 313,900 SOL files via Neubus, under an ongoing contract. Since January of 2006, the MHD has imaged over 120,000 Request for Additional Information (RAI) files in-house. Since March of 2008, the MHD has imaged over 9,000 license

files in-house.

Prior to scanning, responses to customer inquiries and requests for copies often took several weeks or months to process because of the tedious process of locating and retrieving the images from boxes or microfilm. Now the images are at the fingertips of the staff, making our response time to most inquiries virtually instantaneous.

Imaging has also made it possible for the MHD to be housed in a smaller space, without the need to store boxes of paper or cabinets of microfilm on site, saving the division the cost of leasing additional office space or off-site storage.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In 2005, the imaging process began with our contract with Neubus to convert all of our microfilm to Portable Document Format (pdf) files and to image SOL files on an ongoing basis. In 2006, we began in-house scanning of RAI files, and in 2008, license files became a part of our ongoing in-house imaging program. By 2010, the Document Control Section intends expand this imaging program to include Consumer Protection complaint files in our ongoing effort to maximize workflow efficiency and minimize the need for physical office space.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Internally, it affects our staff by making it possible to respond to requests for information quickly and effectively, and it ensures that we will have the necessary evidence to support our actions if challenged by an outside party. Externally, it ensures that the documentation that customers and licensees submit to the MHD is retained properly in a secure manner and that copies may be made readily available upon request.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

Mail

Currently, the Manufactured Housing Division mail is picked up from the agency mailroom, sorted, and distributed to the appropriate sections or the MHD staff throughout each workday. This process will undergo some changes when the MHD is relocated, since the staff currently responsible for opening the mail will become part of the Document Control Section.

SOL Files

SOLs are reviewed for accuracy within 1-3 days after issuance, and any identified errors are returned to the Processing Unit for review and correction.

Once all corrected SOLs have been received, SOL files are inventoried, ensuring that every SOL certificate number issued is accounted for prior to being picked up by Neubus for imaging.

When imaged SOL files are returned from Neubus, the pdf files (named with the SOL certificate number) are transferred from a mobile disk to a network drive for permanent storage. Then they are reviewed to ensure that all records are accounted for, and at least 10% of the pdf files are opened and viewed page-by-page for quality control purposes. Any problems detected are immediately reported to Neubus for correction. Once this process is complete, any problems have been corrected, and the network files have been backed up off-site, the original paper files are set for destruction through the agency's contracted vendor (indirectly contracted through the MHD's administrative services agreement with the Texas Department of Housing and Community Affairs).

RAI Files

RAI files are delivered to Document Control the next business day after issuance, after they have all been accounted for. The designated Records Coordinator prepares the files for scanning by removing all staples and identifying any non-standard sized documents that require special handling.

That same person scans the files, opens each pdf file to ensure that all images are clear and complete, and then names each file using the number assigned to the file by the system.

License Files

This records series is still in the initial scanning stage in which the already existing files, currently in cabinets, are being scanned in-house and named using their assigned license number. The initial project is expected to be completed by the end of this year, at which time the process of scanning each license file upon issuance of the license will begin.

Currently, the designated employee pulls the files from the cabinet and prepares them for scanning by removing all staples and identifying any non-standard sized documents that require special handling. That same person scans the files, opens each pdf file to ensure that all images are clear and complete, and then names each file using the license type and number. Additionally, license files are updated frequently, requiring the imaging and merging of additional documents into previously imaged license files.

Texas Seals

Each business day a system-generated letter is mailed out with each Texas Seal that was issued on the previous business day, ensuring that all Texas Seals are accounted for and issued in numeric order.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Appropriated Receipts is the funding source for Document Control.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

All agencies process mail and retain records in accordance with a retention schedule that is approved by the Texas State Library and Archives Commission.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

There is no duplication or conflict with other programs because we handle Manufactured Housing Division mail and records exclusively, and this will not change when we relocate.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Document Control function is strictly internal, having no direct contacts outside the agency. What about with the State Library where the State Retention Schedule is concerned, ask Heidi.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

- (1) Contract exists with Neubus which assists Document Control. This contract cost \$16,547 in FY2008, and this amount is included in the total amount of expenditures.

- *Short summary of the general purpose of those contracts overall:*

MHD has contracted with Neubus to scan all SOL paper files on an ongoing basis and provide the files to the MHD electronically for permanent storage on the MHD's internal network drive, placing these files at the fingertips of all employees to allow them to work at maximum efficiency.

- *Methods used to ensure accountability for funding and performance:*

When pdf files are received from Neubus, each file is accounted for, and at least 10% of the files are opened and checked for image quality and completeness.

- *Current contracting problems:*

None. Over the last year, Neubus has produced high quality work and provided excellent customer service.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Document Control does not require statutory changes.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

N/A

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

N/A

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

N/A

VIII. Statutory Authority and Recent Legislation

A. Fill in the following chart, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact your agency. Do not include general state statutes that apply to all agencies, such as the Public Information Act, the Open Meetings Act, or the Administrative Procedure Act. Provide information on Attorney General opinions from FY 2005 – 2009, or earlier significant Attorney General opinions, that affect your agency's operations.

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Exhibit 13: Statutes/Attorney General Opinions

Statutes

Citation/Title	Authority/Impact on Agency (e.g., Provides authority to license and regulate nursing home administrators@)
Chapter 1201 of the Texas Occupations Code	Provides consumer protection for individuals that purchase manufactured homes and helps regulate the manufactured home industry.
Title, 10 Chapter 80 of the Texas Administrative Code	Rules used to implement Chapter 1201 of the Texas Occupations Code.
Chapter 2306, Subchapter AA of the Texas Government Code TEX. GOVT' CODE §§ 2306.6000-2306.6022	Outlines Manufactured Housing Divisions organization and requirements for the Board of Directors and Executive Director.
24 CFR Parts 3280 and 3285	Federal Rules for Manufactured Home Installation Standards.
Attorney General Opinions	
Attorney General Opinion No.	Impact on Agency
Opinion No. GA-0443	Clarifies how tax liens shall be filed with MHD and the fact that tax liens for real property do not need to be filed with MHD to be enforced.

B. Provide a summary of recent legislation regarding your agency by filling in the chart below or attaching information already available in an agency-developed format. Briefly summarize the key provisions. For bills that did not pass, briefly explain the key provisions and issues that resulted in failure of the bill to pass (e.g., opposition to a new fee, or high cost of implementation). See Exhibit 14 Example or [click here to link directly to the example.](#)

Texas Department of Housing and Community Affairs Manufactured Housing Division Exhibit 14: 81st Legislative Session Chart		
Legislation Enacted – 81st Legislative Session		
Bill Number	Author	Summary of Key Provisions
HB 2238	Representative Hamilton and Senator Eltife	See Attached Exhibit B.
Legislation Not Passed – 81st Legislative Session		

Bill Number	Author	Summary of Key Provisions/Reason the Bill Did Not Pass

IX. Policy Issues

The purpose of this section is to briefly describe any potential issues raised by your agency, the Legislature, or stakeholders that Sunset could help address through changes in statute to improve your agency's operations and service delivery. This section is intended to give the Sunset Commission a basic understanding of the issues so staff can collect more information during our detailed research on your agency. Some questions to ask in preparing this section may include: (1) How can your agency do a better job in meeting the needs of customers or in achieving agency goals? (2) What barriers exist that limit your agency's ability to get the job done?

Emphasis should be given to issues appropriate for resolution through changes in state law. Issues related to funding or actions by other governmental entities (federal, local, quasi-governmental, etc.) may be included, but the Sunset Commission has no authority in the appropriations process or with other units of government. If these types of issues are included, the focus should be on solutions which can be enacted in state law. This section contains three components:

Brief Description of Issue.

Background. Include enough information to give context for the issue. Information helpful in building context includes:

- What specific problems or concerns are involved in this issue?
- Who does this issue affect?
- What is the agency's role related to the issue?
- Any previous legislative action related to the issue?

Possible Solutions and Impact. Provide potential recommendations to solve the problem. Feel free to add a more detailed discussion of each proposed solution, including:

- How will the proposed solution fix the problem or issue?
- How will the proposed change impact any entities or interest groups?
- How will your agency's performance be impacted by the proposed change?
- What are the benefits of the recommended change?
- What are the possible drawbacks of the recommended change?
- What is the fiscal impact of the proposed change?

Complete this section for each policy issue. Copy and paste boxes A through C as many times as needed to discuss each issue.

A. Brief Description of Issue

1. **Issue:** Consistency in processing the Statement of Ownership and Locations.

In order to ensure that each Statement of Ownership and Location (SOL) may be issued in a timely and consistent manner the employees must be well trained and the technology used must be efficient and up to date. Currently the MHD works in an extremely crowded environment and it can be difficult to find a proper arena for group training. The database system in place is also obsolete and difficult to interpret. These problems affect consumers applying for a SOL because they lack the ability to get consistent and effective service. The MHD is responsible for issuing the SOLs for the public and they must issue these documents in a consistent and correct manner.

2. **Issue:** Lack of Resources to assist in Customer Service.

Currently, the MHD receives approximately 20,000 phone calls a month and the MHD does not have the resources in Customer Service to answer all of the incoming phone calls. This problem affects the manufactured housing consumers, licensees and general public with questions regarding manufactured housing. It delays response time and may frustrate callers resulting in impatient callers contacting the field offices and other program areas, forcing those staff to handle calls to contain the overflow of phone calls. This requirement removes their ability to focus on the goals of their program areas. The agencies role in this issue is to ensure the public receives assistance in a timely matter from well trained individuals; and currently our lack of resources may prohibit this.

3. **Issue:** Should the agency continue to accept applications for statements of ownership and location to transfer ownership for real property.

Currently a large number of individuals file applications for a Statement of Ownership and Location to transfer from one real property owner to another real property owner. This is helpful for real property owners when they are attempting to receive a homestead exemption. The owner has the ability to use the new Statement of Ownership and Location as evidence to qualify for the homestead exemption. However; no one is required to file this transfer with MHD and it could be argued that MHD lacks jurisdiction over these transactions unless the statute was clarified.

B. Discussion

1. **Issue:** Consistency in processing the Statement of Ownership and Locations.

Discussion: First, when the MHD moves to the new building in September there will be facilities that will accommodate large training groups. This will allow staff the opportunity to be properly

trained and help to maintain consistency in the way a Statement of Ownership and Location will be reviewed and issued. This change will be easier on individuals filing SOL applications in person because there is parking for visitors and the new building centrally located in Austin. This will add convenience to the SOL processing for individuals that choose to drive to the Austin headquarters. The new building will also be more conducive to getting work accomplished because each processor will have a cubicle. Currently cubicles are shared with four people, which can be distracting. Some of the benefits of the new facility include; additional privacy for employees, room for training and parking for visitors. The drawback of this change includes the rent that will need to be paid by the MHD; however, the MHD budget does have adequate funds to maintain the facility. The total cost to rent the new facility will be \$100,000.00 per year for 5 years. This move has already been approved by the Manufactured Housing Board.

Second, the new database will allow additional consistency by empowering the consumer to complete the application for a SOL without the assistance of a processor. The processors will then have additional time to focus on problem applications that require additional attention. This change will affect all consumers by speeding up the processing time and ensuring all applications are fully complete prior to submission. This change will allow the agency to distribute the processing analyst's time and services to other areas; such as customer service. The new data base will be beneficial to the agency in that it will allow the MHD processors additional time to help different program areas and increase customer satisfaction. It will allow consumer's the opportunity to complete, submit their own application and print out their SOL.

2. **Issue:** Lack of Resources to assist in Customer Service.

Discussion: The current lack of resource may be eased when the new data base is in place and once we have entered the new MHD facility. Once these items take effect the MHD will have the ability to reorganize and re-delegate employee resources. The Customer Service Unit is overwhelmed with phone calls and the only resolution is additional help from other areas and education for the industry. First when the new database is established and working the MHD believes that a large number of SOL processors will have less individuals to assist because the database will allow the consumer to process their own SOL application. Easy applications will be done without a processors attention. This will free up the processors time and allow them to assist with the customer service calls and also continue to assist and focus on the more difficult problems in the future. The MHD believes the extra time the processors will have will allow them to assist more consumers and reduce the waiting for customer service. Reorganization of resources in this manner will assist the MHD's efficiency and quality in the Customer Service Unit.

Second, when the MHD moves to the new facility it will have more room for training for the general public. The more individuals the MHD can educate through training, the less questions that will be required to go through the Customer Service Unit. The MHD can offer classes to interested parties such as attorney's, title companies, licensees, and even curious consumers when requested. The more individuals that become knowledgeable about the MHD statutes and rules, the less they will feel the need to rely on the Customer Service Unit.

3. **Issue:** Should the agency continue to accept applications for statements of ownership and location to transfer ownership for real property.

Discussion: MHD currently issues statements of ownership and location for subsequent real property transfers, when this may not be necessary and could be considered a waste of MHD resources. Our processors are not experts in real property transfers yet a lot of their time is spent attempting to decipher real property legal documents when transferring ownership for real property. Section 1201.216 of the Occupations Code states that if the owner of a manufactured home notifies the MHD that the owner intends to treat a home as real property or to reserve its use for a business purpose or salvage, the home is no longer a manufactured home for purposes of regulation under this chapter or of recordation of liens, including tax liens.

However Section 11.432 of the Tax Code states that for a manufactured home to qualify for a homestead exemption under Section 11.13, the application for the exemption must be accompanied by a copy of the statement of ownership and location for the manufactured home issued by the manufactured housing division of the Texas Department of Housing and Community Affairs under Section 1201.207, Occupations Code, showing that the individual applying for the exemption is the owner of the manufactured home **or** be accompanied by a verified copy of the purchase contract showing that the applicant is the purchaser of the manufactured home, unless a photostatic copy of the current title page for the home is displayed on the computer website of the Texas Department of Housing and Community Affairs. The appraisal district may rely upon the computer records of the Texas Department of Housing and Community Affairs to determine whether a manufactured home qualifies for an exemption.

C. Possible Solutions and Impact

1. **Issue:** Consistency in processing the Statements of Ownership and Location.
Solution: Move to a new facility with more room and install a new database system. This will allow MHD to train staff to issue SOL's consistently and empower the consumer to complete enter their SOL application and print their SOLs.
2. **Issue:** Lack of Resources to assist in Customer Service.
Solution: Once the new data base is in place the SOL Processing Unit may assist in taking some of the overflow of calls. This will increase efficiency and maximize employee resources.

3. Issue: Should the agency continue to accept applications for statements of ownership and location to transfer ownership for real property.

Solution: The MHD requires statutory clarification as to how and when real property to real property transfers shall be recorded by the MHD.

X. Other Contacts

A. Fill in the following chart with updated information on people with an interest in your agency, and be sure to include the most recent e-mail address.

Texas Department of Housing and Community Affairs Manufactured Housing Division Exhibit 15: Contacts			
INTEREST GROUPS (groups affected by agency actions or that represent others served by or affected by agency actions)			
Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Alliant National Title Insurance Company / Phyllis J. Mulder		210-464-8997	pmulder@alliantnational.com
Mobile Insurance Agency / Kurt Kelley	25775 Oak Ridge Drive, Suite 110, The Woodlands, TX 77380	281-367-9266 (17)	kurt@mobileagency.com
INTERAGENCY, STATE, OR NATIONAL ASSOCIATIONS (that serve as an information clearinghouse or regularly interact with your agency)			
Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Texas Manufactured Housing Association / D. J. Pendleton	816 Congress, Suite 940 Austin, Texas 78701	512-459-1221	dpndleton@texas-mha.com
Texas Land Title Association / Leslie Midgley	1717 West 6 th St. Ste. 120 Austin, Texas 78703	512-472-6593	leslie@tlta.com
LIAISONS AT OTHER STATE AGENCIES (with which your agency maintains an ongoing relationship, e.g., the agency's assigned analyst at the Legislative Budget Board, or attorney at the Attorney General's office)			
Agency Name/Relationship/ Contact Person	Address	Telephone	E-mail Address
Attorney General's Office/ Agency legal representative / Nichole Bunker-Henderson	300 W. 15 th Street Austin, Texas 78701	512-936-7935	Nichole.bunker-henderson@oag.state.tx.us
Legislative Budget Board / Agency	1501 N. Congress Ave. 5 th Floor,		Nora.velasco@lb

Analyst/ Nora Velasco	Robert E. Johnson Building Austin, Texas 78701	512-463-1200	b.state.tx.us
Texas State Comptroller's Office/ taxes liaison / Connie Rose	111 E. 17 th Austin, Texas 78701	512-475-0175	Connie.rose@cpa.state.tx.us
Tax Assessor Collector Cass County/ Taxes liaison / Becky Watson	P.O. Box 870 Linden, Texas 75563-0870	903-756-5513	Bwatson.tac@cascountytx.org

XI. Additional Information

A. Fill in the following chart detailing information on complaints regarding your agency. Do not include complaints received against people or entities you regulate. The chart headings may be changed if needed to better reflect your agency's practices.

This information was not tracked in Fiscal Years 2007 and 2008. MHD will begin tracking this information going forward.

B. Fill in the following chart detailing your agency's Historically Underutilized Business (HUB) purchases. See Exhibit 17 Example or [click here to link directly to the example](#).

TDHCA Self Evaluation Report includes Manufactured Housing Division statistics for HUB.

C. Does your agency have a HUB policy? How does your agency address performance shortfalls related to the policy? (Texas Government Code, Sec. 2161.003; TAC Title 34, Part 1, rule 20.15b)

TDHCA Self Evaluation Report includes Manufactured Housing Division statistics for HUB.

D. For agencies with contracts valued at \$100,000 or more: Does your agency follow a HUB subcontracting plan to solicit bids, proposals, offers, or other applicable expressions of interest for subcontracting opportunities available for contracts of \$100,000 or more? (Texas Government Code, Sec. 2161.252; TAC Title 34, Part 1, rule 20.14)

TDHCA Self Evaluation Report includes Manufactured Housing Division statistics for HUB.

E. For agencies with biennial appropriations exceeding \$10 million, answer the following HUB questions.

TDHCA Self Evaluation Report includes Manufactured Housing Division statistics for HUB.

F. Fill in the chart below detailing your agency's Equal Employment Opportunity (EEO) statistics.¹ See Exhibit 18 Example or [click here to link directly to the example](#).

See TDHCA Self Evaluation Report it includes MHD Equal Employment Opportunity statistics. This is more efficient as a number of FTE's are shared between the agencies.

¹ The Service/Maintenance category includes three distinct occupational categories: Service/Maintenance, Para-Professionals, and Protective Services. Protective Service Workers and Para-Professionals are no longer reported as separate groups. Please submit the combined Service/Maintenance category totals, if available.

G. Does your agency have an equal employment opportunity policy? How does your agency address performance shortfalls related to the policy?

See TDHCA Self Evaluation Report it includes MHD Equal Employment Opportunity statistics. This is more efficient as a number of FTE's are shared between the agencies.

XII. Agency Comments

See attached Exhibit K referring to MHD's goals and past achievements.

XIII. Exhibits

XIV. ATTACHMENTS

Submit the following supplemental data or documents with the hard copy of the Self-Evaluation Report. Label each attachment with its number (e.g., Attachment 1). As part of the electronic version, attach a list of items submitted, but do not attach the actual documents to the electronic submission.

Attachments Relating to Key Functions, Powers, and Duties

1. A **copy** of the agency's enabling statute.

See: <http://tdhca.state.tx.us/mh/docs/09-ch1201revformat.pdf>.

2. A **copy** of each annual report published by the agency from FY 2004 – 2008.

TDHCA will supply all relevant documents.

3. A **copy** of each internal or external newsletter published by the agency from FY 2007 – 2008.

TDHCA will supply relevant agency news letters.

4. A **list** of publications and brochures describing the agency.

5. A **list** of studies that the agency is required to do by legislation or riders.

None required.

6. A **list** of legislative or interagency studies relating to the agency that are being performed during the current interim.

No studies are currently being performed.

7. A **list** of studies from other states, the federal government, or national groups/associations that relate to or affect the agency or agencies with similar duties or functions.

None to our knowledge.

Attachments Relating to Policymaking Structure

8. Biographical information (e.g, education, employment, affiliations, and honors) or resumes of all policymaking body members. See Attachment 6 Example or [click here to link directly to the example](#).

9. A **copy** of the agency's most recent rules.

Proposed Manufactured Housing Rules for Title 10 Texas Administration Code Chapter 80.
See: <http://tdhca.state.tx.us/mh/docs/preamble-proposed-rules.pdf>

Attachments Relating to Funding

10. A **copy** of the agency's Legislative Appropriations Request for FY 2010 – 2011.
See TDHCA's Attachment 10.
11. A **copy** of each annual financial report from FY 2006 – 2008.

See TDHCA financial reports.

12. A **copy** of each operating budget from FY 2007 – 2009.

Attachments Relating to Organization

13. If applicable, a map to illustrate the regional boundaries, headquarters location, and field or regional office locations.

Attachments Relating to Agency Performance Evaluation

14. A **copy** of each quarterly performance report completed by the agency in FY 2006 – 2008.
15. A **copy** of any recent studies on the agency or any of its functions conducted by outside management consultants or academic institutions.
None to our knowledge.
16. A **copy** of the agency's current internal audit plan.
See TDHCA's Attachment 16.
17. A **copy** of the agency's current strategic plan.
See TDHCA's Attachment 17.
18. A **list** of internal audit reports from FY 2005 – 2009 completed by or in progress at the agency.
See MHD Attachment 18 and TDHCA Attachment 18.
19. A **list** of State Auditor reports from FY 2005 – 2009 that relate to the agency or any of its functions.
See TDHCA Attachment 19.
20. A **copy** of any customer service surveys conducted by or for your agency in FY 2008.
None.

Exhibit Table of Contents

Exhibit A, 1:	TDHCA, Manufactured Housing Training Prepared for Barrett, Daffin, Farppier, Turner &Engel, LLP
Exhibit A, 2:	TDHCA, Manufactured Housing Overview
Exhibit B:	81 st Texas Legislature, HB 2238 – Internal Staff Training Manual
Exhibit C:	TDHCA, Manufactured Housing Division Executive Summaries
Exhibit D:	Number of Licenses Issued by Type and Fee per type for FY 2008
Exhibit E:	TDHCA, Manufactured Housing Division Organizational Chart
Exhibit F:	Operating Statistics FY 2009
Exhibit G:	Processing Unit Flow Chart
Exhibit H, 1:	Flow Chart for Special Order Home Sales
Exhibit H, 2:	Flow Chart for Used Retail Home Sales
Exhibit H, 3:	Flow Chart for New Home Sales
Exhibit I:	Customer Service Flow Chart
Exhibit J, 1:	Consumer Complaint Inspections FY 2008
Exhibit J, 2:	Installation Inspections FY 2008
Exhibit K:	TDHCA, Manufactured Housing Division Goals FY 2008- FY 2009

Exhibit A,1

II. Key Functions and Performance

A. Provide an overview of your agency's mission, objectives, and key functions.

TDHCA Manufactured Housing Training Prepared for Barrett Daffin Frappier
Turner & Engel, LLP.

Manufactured Housing

Prepared for

Barrett Daffin Frappier
Turner & Engel, LLP

July 2009

**Manufactured Housing
Division**

*Joe A. Garcia
Executive Director*



TEXAS DEPARTMENT OF
HOUSING AND COMMUNITY AFFIARS

Contact Information

Support Services Unit

Direct – 512-463-3693

Toll Free – 888-576-2240

Fax

Titling/Processing

512-475-1109

Regular Mailing Address

TDHCA – MHD

P. O. Box 12489

Austin, TX 78711

Overnight Mailing Address

TDHCA – MHD

221 E. 11th Street

Austin, TX 78701

Email Addresses

General Titling/SOL Inquiries:

processing@tdhca.state.tx.us.

Perfecting real property elections (no responses are made from this email, it's just for sending in application requirements):

mhelectionperfection@tdhca.state.tx.us.

Responding to a Request for Additional Information (no responses are made from this email, it's just for sending in application requirements):

mhraireponse@tdhca.state.tx.us.

The MHD

The Manufactured Housing Division (MHD) is a division within the Texas Department of Housing and Community Affairs, but because of its regulatory nature, it operates independently, under its own Executive Director and Governing Board.

*Joe A. Garcia
Executive Director*



Manufactured Housing History...

- **1970's** - Manufactured housing program regulating the construction and installation standards was administered by the Texas Department of Labor and Standards.
- **1976** – HUD began imposing construction standards on mobile homes and changed the name from “mobile homes” to “HUD Code Manufactured Homes”.
- **1981** – Assumed the titling responsibility from the Motor Vehicle Division and began issuing titles.
- **1989** – The labor related programs of the Texas Department of Labor and Standards were relocated and the agency became the Texas Department of Licensing and Regulation (TDLR).
- **1995** – The manufactured housing program moved from the TDLR and merged with the Dept. Housing and Community Affairs.
- **1995** – HUD ceased the State’s role as exclusive In Plant Inspection Agency (IPIA) and the inspection role was opened up to third parties.
- **2001** – Filing of tax liens by the Manufactured Housing Division (MHD) was discontinued and the Texas Dept. of Transportation began requiring a Tax Certificate before the moving permit could be issued
- **2003** – The title and certificate of attachment were eliminated and replaced with the Statement of Ownership and Location (SOL).
- **2005** – The tax lien filing process was revived and returned MHD.
- **2005** – The abandonment provision was added to the law.
- **2008** – HUD imposes federal installation changes, resulting in ALL NEW MANUFACTURED HOMES needing to be installed by manufacturer’s specifications.

History of the Title

	Prior 2/1/1982	2/1/1982 – 9/1/1995	9/1/95 – 9/1/2003	9/1/2003 – 6/18/2005	6/18/2005 – present
Personal Property	Title issued by Division of Motor Vehicles	Certificate of Title issued by MHD	Certificate of Title issued by MHD	Statement of Ownership and Location (SOL) replaced title.	SOL still being issued.
Real Property		Letter of Title Cancellation issued by MHD	Certificate of Attachment (COA) issued by MHD.	Statement of Ownership and Location (SOL) replaced COA. SOL had to be filed in the deed records but no proof to the department was required.	SOL still being issued but now requires “perfection” by providing proof of the SOL filing in the deed records to both the tax office and the MHD.

HUD LABEL

A HUD Label is a 2" x 4" red and silver metal plate attached to the rear of every manufactured home built after June 15, 1976. It contains a three letter prefix followed by six or seven numbers. (Example: XXX-123456)



Note: If the home is missing a HUD Label a Texas Seal must be purchased and attached to your home prior to selling it.

TEXAS SEAL

A Texas Seal is a 3 1/2" X 3 1/2" silver metal plate with an outline of the State of Texas. A three letter prefix followed by six numbers is also imprinted on the Seal. (For example TXS123456)



Label Prefixes

Once constructed, manufactured homes are subject to a final inspection performed by the In Plant Inspection Agency (IPIA) who inspects homes for HUD construction standards. If the home passes inspection, a HUD Label number is affixed to the tail end of each section of the home.

Prior to September 1, 1995 the MHD was the exclusive IPIA.

Effective September 1, 1995, the MHD was no longer the IPIA and the inspection authority went third party. Each third party has their own unique prefix.

Homes constructed prior to September 1, 1995 will have the HUD Label prefix of:

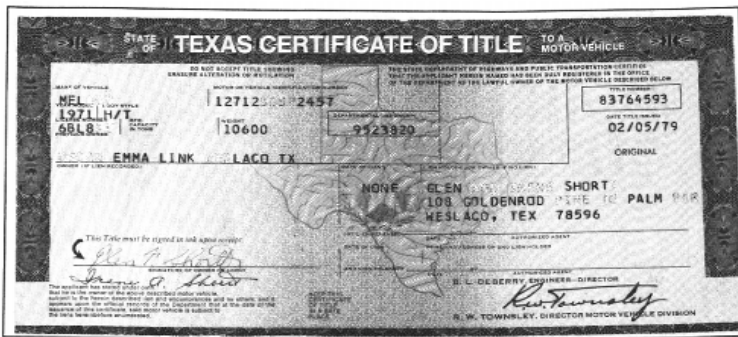
TEX

Homes constructed September 1, 1995 or after will have the HUD Label prefix of:

HWC	LOU	FLA
NTA	ALA	GEO
PFS	ARK	NEB
RAD	ARZ	NMX
TRA	BEC	TEN
ULI	CAS	PTL

The law requires that all homes sold must have a label affixed to the home. If the HUD label is not on the home, or has been covered by new siding, a replacement tag, known as a Texas Seal, may be purchased to replace the missing label. The Texas Seal has the prefix of:

TXS



Certificate of Title Version 1

This version was issued by the Department of Highways and Public Transportation until 1982.

Certificate of Title Version 2

This version of a manufactured housing document of title was issued from 1982 - 1995.

Certificate of Title Version 3

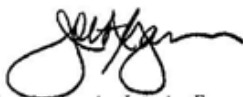
This version of the manufactured housing document of title was issued from 1995 - 2003

ORIGINAL STATEMENT OF OWNERSHIP AND LOCATION

On January 1st of each year, a tax lien comes into existence on a manufactured home in favor of each taxing unit in the jurisdiction where the home is actually located on January 1st. In order to be enforced, any such lien must be recorded with the Manufactured Housing Division as provided by law. You may check our records through our website or contact us to learn of any recorded tax liens. To find out about the amount of any unpaid tax liabilities for a particular year, contact the tax office for the county where the home was actually located on January 1st of that year.

Date Issued: 11/03/2007**Certificate Number: MH00246039**

Manufacturer		Label/Seal No	Serial No	Weight	Size
MHDMAN00000257 CHAMPION HOME BUILDERS CO. 6440 US HWY 40 GUIN, AL 35563		PFS0948914 PFS0948915	011030372A000HA 011030372B000HA	32000 3200	16.0 X 90.0 16.0 X 90.0
Model	Date of Manufacture	Total Sq. Feet	Wind Zone	County Where Installed	
ADVANTAGE	03/02/2006	2608	II	ORANGE	
<p>The Owner(s) have elected to declare the manufactured home at</p> <p>135 N. MISSION DR. VIDOR, TX 77662 as:</p> <p>REAL PROPERTY</p> <p>The home owner(s) certifies to the Division that they are the owner(s) of the real property on which the manufactured home is situated or that they hold a qualifying long-term lease.</p> <p>This home will not be considered real property until, 1) this instrument has been filed in the real property records of the county in which the manufactured home is located, 2) a copy stamped "filed or recorded" provided to the Department, and 3) notification of the same provided to the County Appraisal District.</p> <p>The owner has elected to treat the home or reserve it for this purpose and that the department no longer considers the home to be a manufactured home for the purposes of regulation under chapter 1201.216(a) of the Occupations Code.</p>			<p>Owner of Record</p> <p>DEBORAH MERRITT JERRY L. MERRITT 135 N. MISSION DR. VIDOR, TX 77662</p>  <p>Owner(s) must sign S.O.L. immediately upon receipt.</p> <p>_____ Signature</p> <p>_____ Signature</p>		
LEGAL DESCRIPTION: PFS0948915, TAN & BLACK OCAD 11167			<p>Seller</p> <p>GOLDEN TRIANGLE HOMES INC 705 W FREEWAY 1-10 VIDOR, TX 77662</p>		
			Right of Survivorship: No		
Lien(s) <i>The following liens, charges, or other encumbrances are reflected as having been created affecting the manufactured home.</i>					
03/16/2006					
<p>NORTHWOOD MORTGAGE 12700 HILLCREST RD #230 DALLAS, TX 75251</p>					



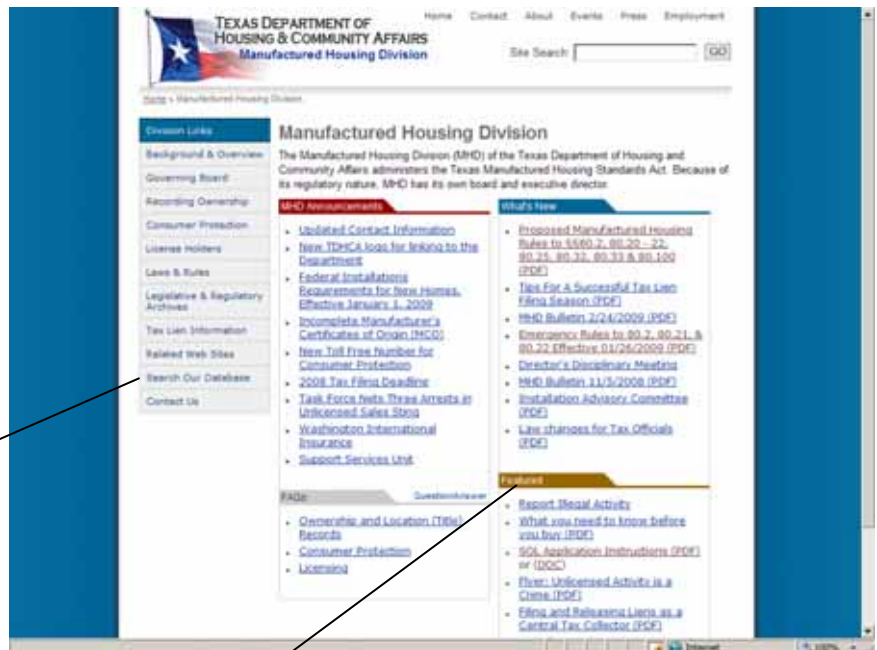
Joe A. Garcia, Interim Executive Director
or his duly authorized designee.

Original



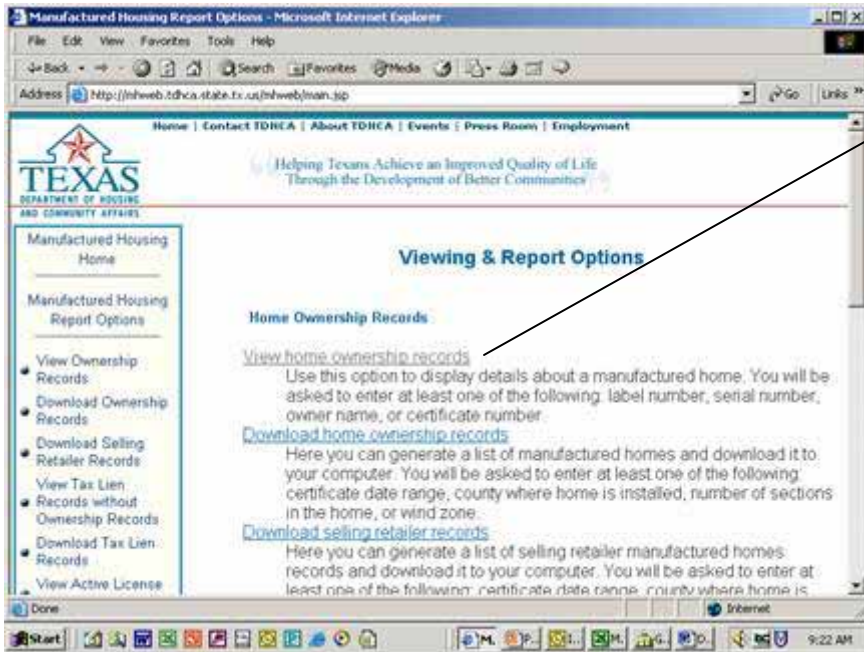
Access our website at:
www.tdhca.state.tx.us

Select the red MANUFACTURED HOUSING TAB

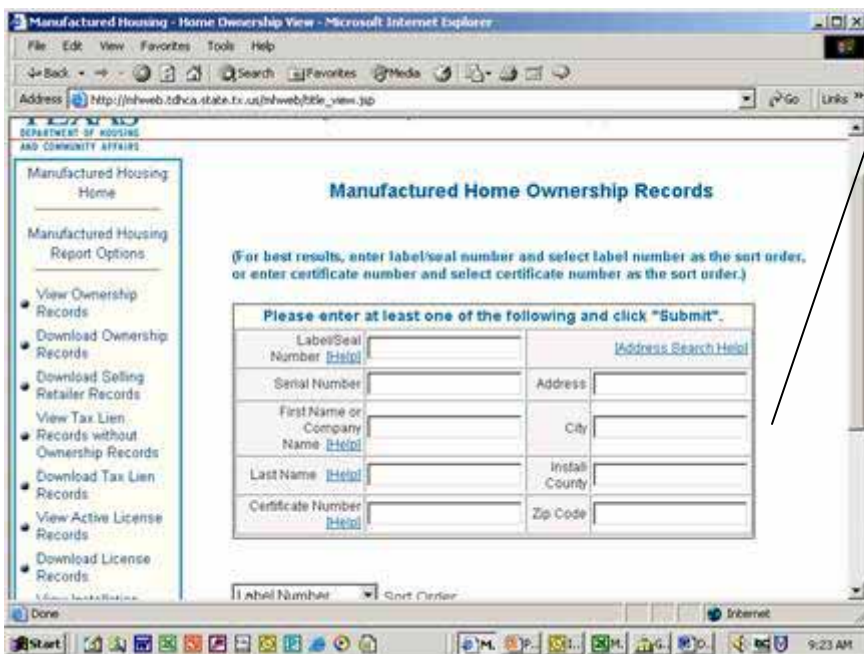


Scroll to the bottom of this column and select SEARCH OUR DATABASE

Under the FEATURED folder, sign up to get on our mailing list and receive notice of any changes in forms, procedures, the Law or Rules.



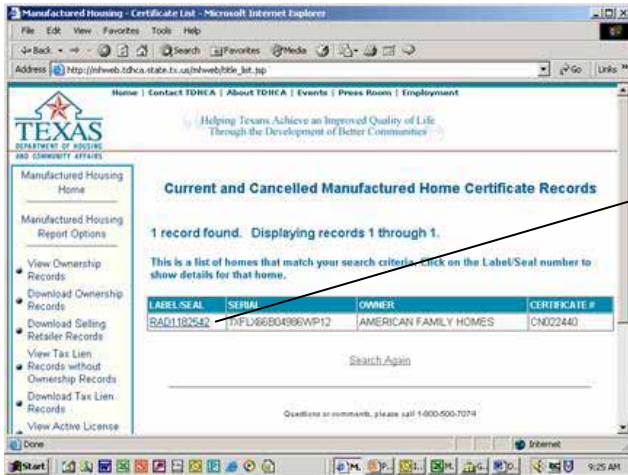
Click on VIEW HOME OWNERSHIP RECORDS



Enter one field of home information to location a record.

TIP:
HUD Label numbers always consist of 3 letters and 7 numbers, so you may need to add a zero if not enough numbers.

Example:
TEX123456 would have to be entered as TEX0123456



Click on the LABEL/SEAL number to access record.



If the application was incomplete, a Request for Additional Information is sent and the details identified by clicking here.

Certificate Detail for Certificate # 00585799

Home elected as Personal Property

ISSUE DATE: 04/04/1991

Certificate Number: 00585799
 Manufacture Date:
 Date of Sale: 11/17/1990
 Date of Certificate: 04/04/1991
 Right of Survivorship:

New/Used: USED
 Number of Sections: 2
 Model: STONERIDGE
 Square Feet: 1960
 Wind Zone:

Currently Installed in MONTGOMERY County

Owners		
Current Owner	Seller	Previous Owners
JIM A. & SANDY M. SPRINGER P.O. BOX 1273 SPLENDORA, TX 77372	CMH HOMES INC DBA LUV HOMES 132 2530 E. DAVIS ST. CONROE, TX 77301	AUGUST E. & TERESA A. TELSCHOW

Active Mortgage Liens	
Lien Date	Lien Holder
11/17/1990	VANDERBILT MORTGAGE & FINANCE INC. PO BOX 15170 KNOXVILLE, TN 37901

Active Tax Liens	
No Active Tax Liens	

On January 1st of each year, a tax lien comes into existence on a manufactured home in favor of each taxing unit in the jurisdiction where the home is actually located on January 1st. In order to be enforced, any such lien must be recorded with the Manufactured Housing Division as provided by law. You may check our records through our website or contact us to learn of any recorded tax liens. To find out about the amount of any unpaid tax liabilities for a particular year, contact the tax office for the county where the home was actually located on January 1st of that year.

Sections					
	Label	Serial	Weight	Width	Length
1	RAD0110196	MIFL2A033252394	24300	14	70
2	RAD0110197	MIFL2B033252394	18200	14	70

Manufacturer
M00087 FLEETWOOD HOMES OF MISSISSIPPI INCORPORAT 100 FLEETWOOD CIRCLE LEXINGTON, MS 39095

Close Window

Print This Page

Certificate Detail for Certificate # 00510860

Home elected as Personal Property

ISSUE DATE: 06/27/1989

Certificate Number: 00510860	New/Used: USED
Manufacture Date:	Number of Sections: 1
Date of Sale: 05/10/1989	Model: CENTENNIAL
Date of Certificate: 06/27/1989	Square Feet: 576
Right of Survivorship:	Wind Zone:

Currently Installed in GALVESTON County

Owners		
Current Owner	Seller	Previous Owners
EDWARD ARIAS P.O. BOX 521 GALVESTON, TX 77553	FIRST STATE BANK OF HITCHCOCK P.O. BOX 104 HITCHCOCK, TX 77563	JANIE TREVINO

Active Mortgage Liens	
Lien Date	Lien Holder
04/17/1989	HITCHCOCK FIRST STATE BANK PO BOX 104 HITCHCOCK, TX 77563

Click on VIEW TAX LIENS to see what is recorded.

Active Tax Liens
View Tax Liens

On January 1st of each year, a tax lien comes into existence on a manufactured home in favor of each taxing unit in the jurisdiction where the home is actually located on January 1st. In order to be enforced, any such lien must be recorded with the Manufactured Housing Division as provided by law. You may check our records through our website or contact us to learn of any recorded tax liens. To find out about the amount of any unpaid tax liabilities for a particular year, contact the tax office for the county where the home was actually located on January 1st of that year.

Sections					
	Label	Serial	Weight	Width	Length
1	RAD0110743	5AAH1146	15000	12	48

Manufacturer
M99999 CENTRAL HOMES INC.

[Close Window](#) [Print This Page](#)

This is the tax lien data on record.



Helping Texans Achieve an Improved Quality of Life
Through the Development of Better Communities

Manufactured Housing
Home

Manufactured Housing
Report Options

- View Ownership Records
- Download Ownership Records
- Download Selling Retailer Records
- View Tax Lien Records without Ownership Records
- Download Tax Lien Records
- View Active License Records
- Download License Records
- View Installation Records
- Ownership Records by County Report

Active Tax Liens for Certificate # 00510860

County	Tax Unit ID	Tax Unit Name	Tax Roll Acct No	Lien Date	Tax Year
236	236-202-43	WALKER COUNTY RURAL FIRE PREVENTION DISTRICT #2	38195	09/26/2005	2004

Note: Please contact the local tax office for more information. Click on County Code or Tax Unit ID for local tax office contact information in printable form.

[Search](#)

Contact information for the Tax Assessor/Collector can be viewed by clicking on the Taxing Unit ID number.

Questions or comments, please call 1-800-687-7774

Homes converted to real estate (formerly known as "canceling to real estate") before the 9/1/2003, contain this header.

Certificate Detail for Certificate # CN022440

The owner of this home has elected to treat the home as real property; and except as provided by Section 1201.2055(h) of the Occupations code, the department no longer considers the home to be a manufactured home for purposes of regulation under Chapter 1201 of the Occupations Code.

ISSUE DATE: 06/26/2002

Certificate Number: CN022440
 Manufacture Date: 06/11/1999
 Date of Sale: 08/13/2001
 Date of Certificate:
 Right of Survivorship: NO

New/Used: USED
 Number of Sections: 2
 Model: WOODLAND PARK
 Square Feet: 1530
 Wind Zone: 1

Currently Installed in COLLIN County

Owners		
Current Owner	Seller	Previous Owners
AMERICAN FAMILY HOMES 4901 TEXOMA PARKWAY DENISON, TX 75020	ORIGEN FINANCIAL INC. 3001 MEACHAM BLVD. SUITE 120 FORT WORTH, TX 76137	GINGER M. RODRIGUEZ

Active Mortgage Liens	
Lien Date	Lien Holder
No Active Mortgage Liens	

Active Tax Liens	
No Active Tax Liens	

On January 1st of each year, a tax lien comes into existence on a manufactured home in favor of each taxing unit in the jurisdiction where the home is actually located on January 1st. In order to be enforced, any such lien must be recorded with the Manufactured Housing Division as provided by law. You may check our records through our website or contact us to learn of any recorded tax liens. To find out about the amount of any unpaid tax liabilities for a particular year, contact the tax office for the county where the home was actually located on January 1st of that year.

Sections					
	Label	Serial	Weight	Width	Length
1	RAD1182543	TXFLX66A04986WP12	20400	14	56
2	RAD1182542	TXFLX66B04986WP12	17500	14	56

Manufacturer
M00343 FLEETWOOD HOMES OF TEXAS LP 2400 BURK BURNETT RD. WICHITA FALLS, TX 76304

Homes converted to real property after 6/18/2005 require "perfection". Homes elected as real property, but not yet perfected, contain this header.

Certificate Detail for Certificate # 00207583

Home elected as real property, but election not yet perfected.
ISSUE DATE: 02/27/2007

Certificate Number: 00207583 Manufacture Date: 08/15/2001 Date of Sale: 09/29/2006 Date of Certificate: Right of Survivorship: NO	New/Used: USED Number of Sections: 2 Model: SHERATON Square Feet: 1188 Wind Zone: 1
--	--

Currently Installed in HOPKINS County

Location of Home
435 CR 2328 COMO, TX 75431

Owners		
Current Owner	Seller	Previous Owners
BRENDA LOOMIS PO BOX 2118 SULPHUR SPRINGS , TX 75483	MODENA PEARCE 112 CR 2401 WINNSBORO , TX 75494	HUBERT & MODENA PEARCE BILLY & SHERRY DUNN

Active Mortgage Liens	
Lien Date	Lien Holder
09/29/2006	CITY NATIONAL BANK OF SULPHUR SPRINGS PO BOX 485 SULPHUR SPRINGS, TX 75483

Active Tax Liens
No Active Tax Liens

On January 1st of each year, a tax lien comes into existence on a manufactured home in favor of each taxing unit in the jurisdiction where the home is actually located on January 1st. In order to be enforced, any such lien must be recorded with the Manufactured Housing Division as provided by law. You may check our records through our website or contact us to learn of any recorded tax liens. To find out about the amount of any unpaid tax liabilities for a particular year, contact the tax office for the county where the home was actually located on January 1st of that year.

Sections					
	Label	Serial	Weight	Width	Length
1	PFS0715337	12334980A	20135	14	44
2	PFS0715338	12334980B	20135	14	44

Manufacturer
M00010 REDMAN HOMES INCORPORATED [ATHENS] 3401 W CORSICANA HWY ATHENS, TX 75751

Homes converted as real property AND perfected with the MHD contain this header. Unless the home has been elected and perfected as real property the home is not considered real property.

Certificate Detail for Certificate # 00187927

The real property election of this home has been perfected.
ISSUE DATE: 10/26/2006

Certificate Number: 00187927
Manufacture Date: 01/18/1996
Date of Sale: 07/11/2006
Date of Certificate:
Right of Survivorship: NO

New/Used: USED
Number of Sections: 1
Model: HALLMARK
Square Feet: 1178
Wind Zone: 1

Currently Installed in HOPKINS County

Location of Home
2030 CR 3528 SALTILLO, TX 75478

Owners		
Current Owner	Seller	Previous Owners
MARY LOU MOSS 2030 CR 3528 SALTILLO, TX 75478	LEMUEL W LITTLE 2030 CR 3528 SALTILLO, TX 75478	MIKE GARNER MIKE GARNER T & T MOBILE HOMES INC.

Active Mortgage Liens	
Lien Date	Lien Holder
No Active Mortgage Liens	

Tax Liens
Home elected and perfected as real property, contact tax assessor/collector for tax information.

On January 1st of each year, a tax lien comes into existence on a manufactured home in favor of each taxing unit in the jurisdiction where the home is actually located on January 1st. In order to be enforced, any such lien must be recorded with the Manufactured Housing Division as provided by law. You may check our records through our website or contact us to learn of any recorded tax liens. To find out about the amount of any unpaid tax liabilities for a particular year, contact the tax office for the county where the home was actually located on January 1st of that year.

Sections					
	Label	Serial	Weight	Width	Length
1	PFS0374688	12525203	26500	16	76

Manufacturer
M00006 REDMAN HOMES INC [BURLESON] 501 SOUTH BURLESON BOULEVARD BURLESON, TX 76028

Close Window Print This Page

Titling Tips

- Always look up the record in our database.
- Transfer of ownership always starts with the owner of record in our database. Chain of title must start with them.
- Always allow 15 working days for processing.
- Our fees are non-refundable.
- NEW LAW - For 2008 used home sales, the Application for Statement of Ownership and Location (SOL) must include confirmation from the tax office, that 2007 taxes have been paid and that 2008 taxes have been estimated, paid, and escrowed.
- NEW LAW – An application for SOL must be received in our office within 60 days after the sale.

Statement of No Taxes Due

Date of Sale	Statement of no taxes due must specify that:
January 1 - June 30	1. The previous year's taxes have been paid. 2. The present year's taxes have been prepaid and escrowed.
July 1 - September 30	The present year's taxes have been prepaid and escrowed.
October 1 – December 31	The present year's taxes <u>have been billed</u> and paid.

Note: In addition to the tax years that must be identified in the statement of no taxes due, any tax liens that was properly and timely filed must also be paid.



TTL00372213
FIRST NOTICE

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Request for Additional Information

DALE E MARTIN
REBECCA MARTIN
305 PINE BURR LOOP
LUMBERTON, TX 77657

May 18, 2009

Serial #: ALBUS20615A

GF #:

Label #: NTA0358501

Dear Applicant:

We have recently received either correspondence or an Application for Statement of Ownership and Location (SOL). However, we're unable to complete the processing of your application for the following reasons:

(Reasons)

- 1 The notarized signature of Dale E and Rebecca A Martin, as the purchaser or transferee, is required for the election of the home as real or personal property.

If you have any questions you can call our Customer Service representatives at 800-500-7074, ext. 64471. For faster assistance, be sure to provide the TTL number printed on the upper-right corner of this letter.

Return a copy of this letter with the requested items as follows:

Email: mhrairesponse@tdhca.state.tx.us

No need to follow up with originals.

Fax: 512-475-1109

Mail: TDHCA-MHD

P.O. Box 12489 Austin, TX 78711-2489

Letters requesting additional fees must be mailed in.

Perfecting the real property election



TEXAS DEPARTMENT
OF HOUSING AND
COMMUNITY AFFAIRS

*Manufactured Housing
Division*

P.O. Box 12489
Austin, TX 78711-2489
Phone: 512-475-2200
Toll Free: 800-500-7074

Your Statement of Ownership and Location (SOL) Which Has Been Elected as Real Property

1. **Within sixty (60) days from the date issued**, take the SOL to the County Clerk, which will record the SOL in the county deed records and date stamp it.
2. **Notify the County Tax Assessor-Collector** that the certified copy of the SOL has been recorded.
3. Mail, fax or email a copy of the SOL stamped recorded by the county along with confirmation that the County Tax Assessor-Collector has been notified.

Confirmation of receipt will be provided. You may confirm if the election has been perfected by accessing the record from our Web site at http://mhweb.tdhca.state.tx.us/mhweb/title_view.jsp

If the steps above are not completed, the real estate election is not perfected, the home remains personal property, and any applicable real property liens may not be effective.

Occupations Code - Abandoned Homes

Sec. 1201.217. Manufactured Home Abandoned.

- (a) The owner of real property on which a manufactured home owned by another is located may declare the home abandoned as provided by this section if the home has been continuously unoccupied for at least four months and any indebtedness secured by the manufactured home is also delinquent.
- (b) Before declaring a manufactured home abandoned, the owner of real property on which the home is located must send a notice of intent to declare the home abandoned to the record owner of the home, all lienholders at the addresses listed on the home's statement of ownership and location on file with the department, and the tax collector for each taxing unit that imposes ad valorem taxes on the real property where the home is located, and any intervening owners of liens or equitable interests. The notice must include the address where the home is currently located. If the person giving such notice knows that the person to whom the notice is being given no longer resides and is no longer receiving mail at a known address, a reasonable effort shall be made to locate the person and give the person notice at an address where the person is receiving mail.. Mailing of the notice by certified mail, return receipt requested, postage prepaid, to the persons required to be notified by this subsection constitutes conclusive proof of compliance with this subsection.
- (c) On receipt of a notice of intent to declare a manufactured home abandoned, the record owner of the home, a lienholder, or a tax assessor-collector for a taxing unit that imposes ad valorem taxes on the real property on which the home is located , and any intervening owners of liens or equitable interests, may enter the real property on which the home is located to remove the home. The real property owner must disclose to the record owner, leinholder, or tax assessor-collector seeking to remove the home the location of the home and grant the person reasonable access to the home. A person removing a home is responsible to the real property owner for any damage to the real property resulting from the removal of the home.
- (d) If the manufactured home remains on the real property for at least 45 days after the date the notice is postmarked:
 - (1) all liens on the home are extinguished; and
 - (2) the real property owner may declare the home abandoned and may apply to the department for a statement of ownership and location listing the real property owner as the owner of the manufactured home.
- (e) A new statement of ownership and location issued by the department under this section transfers, free of any liens, if there is evidence of United States Postal Service return receipt from all lienholders, title to the manufactured home to the real property owner.
- (f) This section does not apply if the person who owns the real property on which the manufactured home is located and who is declaring that the home is abandoned, or any person who is related to or affiliated with that person, has now, or has ever owned, an interest in the manufactured home.

Abandoned Home Application Procedure

An application for Statement of Ownership and Location (SOL) submitted pursuant to §Section 1201.217 of the Occupations Code should consist of:

1. Application for SOL

- Block 1 – Note in “Other”, “Abandoned Home”
- Block 2a – Provide general home information as listed on title/SOL
- Block 3 – Physical address, city, state, zip code and county
- Block 4a - Owner of record (person on the title) is the Transferor
- Block 4b - Real property owner(s) declaring the home abandoned is the Transferee(s)
- Block 4c – Date of transfer of ownership
- Block 5 – Right of survivorship if applicable
- Block 6 – Personal or real property (provide legal description if elected as real property)
- Block 7 – Residential or Non-residential
- Block 10a – Note “See Affidavit of Fact”
- Block 10b – Notarized signature(s) of Transferee(s)

2. Affidavit of Fact (notarized statement) by the Transferee stating that:

- The transferee is declaring the home as abandoned.
- The home has been continuously unoccupied for at least four months.
- Notice of the Transferee’s intent to declare the home abandoned has been sent to the owner of record, lienholder(s) of record, the tax collector of record and the tax collector where the home is actually installed.
- Forty five (45) days from the date the letter was postmarked or the green card was signed (whichever applies) has passed and the home has not been removed.

3. Supporting documentation

- Proof that notice of intent to declare the home abandoned was sent via certified mail return receipt requested, to owner of record (actual letter returned undeliverable or signed green card).
- Proof that notice of intent to declare the home abandoned was sent via certified mail return receipt requested, to lienholder(s) of record (actual letter returned undeliverable or signed green card).
- Proof that notice of intent to declare the home abandoned was sent via certified mail return receipt requested, to the tax collector of record and the tax collector where the home is actually installed.

4. Fee of \$55

1201.2055 of the Occupations Code

(i) Notwithstanding the 60-day deadline specified in Subsection (d), if the closing of a mortgage loan to be secured by real property including the manufactured home is held, the loan is funded, and a deed of trust covering the real property and all improvements on the property is recorded and the licensed title company or attorney who closed the loan failed to complete the conversion to real property in accordance with this chapter, the holder or servicer of the loan may apply for a statement of ownership and location electing real property status, obtain a certified copy of the statement of ownership and location, and make the necessary filings and notifications to complete such conversion at any time provided that:

- (1) the record owner of the home, as reflected on the department's records, has been given at least 60 days' prior written notice at:
 - (A) the location of the home and, if it is different, the mailing address of the owner as specified in the department records; and
 - (B) any other location the holder or servicer knows or believes, after a reasonable inquiry, to be an address where the owner may have been or is receiving mail or is an address of record;
- (2) such notification shall be given by certified mail; and
- (3) the department by rule shall require evidence that the holder or servicer requesting such after-the-fact completion of a real property election has complied with the requirements of this subsection.

*Added by Acts 2003, 78th Leg., ch. 338, Sec. 14, eff. June 18, 2003.
Amended by Acts 2005, 79th Leg. Amended by Acts 2007, 80th Leg.,
HB 1460, Sec. 26, eff. January 1, 2008.*

Mail Handling Process

Mail item received in TDHCA mailroom.



Mail item opened and monies assigned a control number which is stamped on both the check/money order and on the application.



Mail item forwarded to the Accounting Department for data entry and deposit of money.



Mail item is forwarded the Manufactured Housing Division (without money) for distribution to appropriate section.



Mail item received in the appropriate section and processed.

**Texas Department of Housing and Community Affairs,
Manufactured Housing Division
Summary of H.B. 2238, Written by Representative Hamilton and
S.B. 1856, Written by Senator Eltife
81st Texas Legislature**

Background: On March 3, 2009 House Bill 2238 was filed with the House and on March 9, 2009, the identical companion bill, Senate Bill 1856, was filed with the Senate. This Bill was signed by the governor on May 20, 2009 and goes into effect on September 1, 2009.

Sec. 1, Electronic Means Authorized. The change to Section 1201.009 of the Occupations Code allows the Manufactured Housing Division (Department) to adopt rules to facilitate the use of electronic means to complete actions. For example, in the future the Department would like to allow the public to file applications for Statements of Ownership and Location online. It may also facilitate activities, such as, applying for licensure with the Department.

Sec. 2, Amount of Fees. An addition was made to Section 1201.058 of the Occupations Code to allow the executive director the ability to waive any fees in the event of a disaster, as determined by the governor in a proclamation or executive order.

Sec. 3, Qualifications for License. This change amends Sections 1201.104(c), (e), and (f) of the Occupations Code. First, it allows the Salesperson 90 days to complete the required course of instruction, as opposed to the next scheduled class. This adds additional flexibility for the licensee. The Department is offering the class more frequently and this will give an applicant additional opportunities to take the course. Second, Section 1201.104(e) removes the requirement that all classes must be live, and may not be given online. This gives the Department additional discretion as to how the classes shall be conducted, but does not limit the Department's ability to require classes to be live if appropriate. Last, the amendment to Section 1201.104(f) changes a "probationary" installer's license to a "provisional" installer's license. This change is made to clarify that installer's have not received disciplinary action, but are new installers that have not yet had five installations approved by the Department.

Sec. 4, Certification and Continuing Education Programs. This change to Section 1201.113(b) ensures that an applicant for licensure completes the continuing education course as opposed to attending the continuing education course. This ensures the law is consistent if online classes are offered.

Sec. 5, License Expiration. This change to Section 1201.114 of the Occupations Code was made to remove any reference to probation of a license from this Section. A license still remains in effect for two years, but the ability to place a license on probation is covered in Section 1201.554 instead of Section 1201.114 of the Occupations Code. In Section 1201.114(b) there was only reference to the probation of a licensed salesperson or installer, which may be confusing as the Department may place all types of licenses on probation.

Sec. 6, Procedure for License Renewal. This change to Section 1201.116 (a) and (c), allows a license to be renewed every two years as opposed to each year. This change was made last session, but this clarification was required to ensure the statute was consistent through out.

Sec. 7, Manufacturer's Certificate. This change amended Section 1201.204(c) which limits who notice shall be sent to by the Department when the manufacturer's certificate is not received with a statement of ownership. Currently, the Department is sending notice to *all* inventory lien holders for the Retailer in question. This change limits who the notice shall be sent to by clarifying that it is only required to be sent to the party, on the Department's records, having a recorded lien on the inventory *with respect to the particular home*.

Sec. 8, Application for Issuance of Statement of Ownership and Location. This change amended Section 1201.206 (g) enabling anyone to file a statement that there is no personal property taxes due on the manufactured home that may have accrued on each January 1 that falls within 18 months before the date of sale. This allows more leniency as to who is allowed to file the documentation with the Department. Previously, the seller was charged with filing the documentation; however, this was not always efficient because in some cases the seller was no longer involved with the transaction. Additionally, the amendment stipulates that the statement should be provided by the taxing unit that has the power to tax the manufactured home. If an individual can prove a home was not located in a certain county on January 1, the application would not need a statement from that taxing entity of record.

Sec. 9, Issuance of Statement of Ownership and Location. This change amends Section 1201.207(c) to allow a change to a statement of ownership and location without the consent of all parties, if the change is regarding the servicing of a loan on a manufactured home, or change in ownership of a lien on a manufactured home. This increases the Department's flexibility to make changes to the statement of ownership and location without consent from all parties. For example, if one lien holder buys out the current lien holder this change may be made to the statement of ownership and location without the owner's consent.

The change also allows the Department to alter the record to accurately reflect the **proper** owner's identity for activity that occurred before the issuance of the statement of ownership and location. For example, if it is demonstrated that the statement of ownership and location was acquired through fraud the Department may make the correction without the consent of the owner of record. The Department may still use the revocation process of a statement of ownership and location, but it is not required.

Sec. 10, Manufactured Home Abandoned. This change amends Section 1201.217(b) and (c) of the Occupations Code. In the past to acquire a home through abandonment you had to give notice to the owner of record, a lien holder and the appropriate tax assessor-collector. This addition also requires the individual to give notice to an intervening owner of a lien or equitable interest and allows them the opportunity to remove the home. If a lien on a home is assigned to another party, proper notice must also be given to the new lien holder and that lien holder shall be given the opportunity to remove the home.

Sec. 11, Perfection and Effect of Liens. The change to Section 1201.219 of the Occupations Code only reorganizes the statute, but makes no changes to the intent of the statute. Currently the means of perfecting a lien and a tax lien are combined into one section and one form which may be confusing. This amendment separates the statute so the first section specifies how to perfect a lien and the second section states how to perfect a tax lien on a manufactured home.

Sec. 12, Installation of Manufactured Housing. This change amends Section 1201.255(b) of the Occupations Code so it only applies to the installation of a used manufactured home so as not to conflict with recent Federal mandates on the installation of new homes.

Sec. 13, Failure to Show Good Cause; Hearing Results. This change amends Section 1201.358(c) of the Occupation Code. This expands the director's ability to reassign a warranty obligation of a manufacturer, retailer, or installer. Prior to the change an order re-assigning a warranty obligation could only be made if the responsible party was out of business or whose license had been revoked. These additions also allow a re-assignment if the responsible parties license has been suspended or is subject to an administrative sanction for failure to comply with a director's warranty order.

Sec. 14, Consumer Compensation. This change amends Section 1201.404(a). When distributing funds from the Home Owner's Recovery Trust Fund the statute now allows for payment not only to be made directly to the consumer, but also to a third party on behalf of a consumer. For example, if taxes must be paid to obtain a statement of ownership and location for the consumer, the director may elect to make the appropriate payment directly to the taxing entity on behalf of that consumer.

Sec. 15, Repealed Statutes:

Proof of Insurance Required for Installer. Section 1201.160 is repealed. An installer is no longer required to file proof of insurance in order to perform an installation function.

Election by Owner. Section 1201.2055(b) is repealed. Individuals will no longer be required to get a signature notarized on an application for statement of ownership and location.

Limitations on Claims. Section 1201.405(b) is repealed. Attorney's fees may no longer be claimed from the Home Owner's Recovery Trust Fund. This portion of the statute was in conflict with Section 1201.405(f)(3) which stated that the Trust Fund could not be held liable for attorney's fees.

Sec. 16, Application of Law Changes. Changes made to Section 1201.104(c) and (f) are not retroactive. Any application which is filed prior to this law taking effect will follow the former statute. Sections 1201.113(b) and 1201.116(c) apply only to a license that expires on or after the effective date of this act. Section 1201.206(g) applies only to an application for a statement of ownership and location filed on or after the effective date of this act.

Sec. 17. This Act takes effect on September 1, 2009.

Exhibit A,2

II. Key Functions and Performance

A. Provide an overview of your agency's mission, objectives, and key functions.

TDHCA Manufactured Housing Overview.



Manufactured Housing Overview

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division



Joe A. Garcia
Executive Director

Scope

- To administer the Manufactured Housing Standards Act, Tex. Occ. Code, Chapter 1201, adopt and implement rules, 10 TAC Part 80, to ensure compliance with the purposes of the Standards Act, and comply with the Federal Manufactured Home Construction and Safety Standards, implemented by regulations at 24 CFR Parts 3280 and 3282. The MHD is charged by the legislature with enforcement of the state law and acts as HUD's agent to enforce the federal law pursuant to a contract.;
- Protect state residents by regulating the construction and installation of manufactured homes;
- Ensure that customers are provided fair and effective remedies to titling, installation, and warranty issues; and
- Provide economic stability to manufactured housing manufacturers, retailers, installers, and brokers.

Statutory Responsibilities

- Maintain ownership records and issue Statements of Ownership and Location (SOL), previously known as “titles”.
- Issue occupational licenses to manufactured housing manufacturers, retailers, brokers, installers, rebuilders and salespersons.
- Conduct course instruction of federal and state laws for prospective license applicants.
- Maintain surety bonds, certificates of deposit, and proof of insurance required of license holders.
- Conduct inspections of homes installed, homes involved with consumer complaints, and homes involved in manufacturer’s defects.
- Record and release tax and mortgage liens.

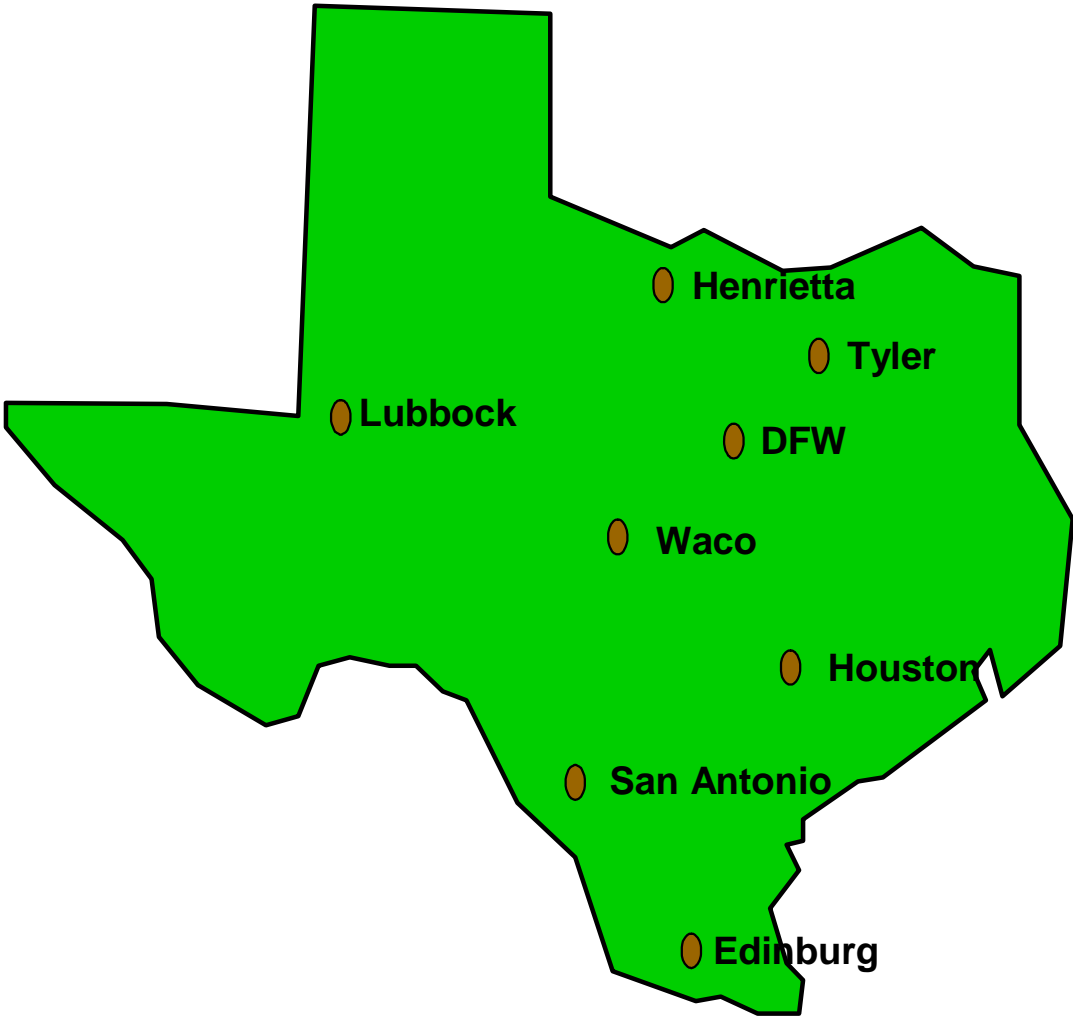
Statutory Responsibilities (continued)

- Receive and resolve consumer complaints
- Investigate and take action against violators
- Administer Manufactured Homeowner's Recovery Trust Fund enabling remedy for the consumer
- Conduct Inspections of Migrant Labor Facilities for TDHCA
- Conduct Facility Inspections for TDHCA's Portfolio Management and Compliance Division

Locations and Staffing

LOCATION	STAFF
Austin	41
DFW	2
Satellite Office (Edinburg)	1
Houston	5
Lubbock	3
San Antonio	5
Tyler	3
Waco	3
Satellite Office (Henrietta)	1
TOTAL	64

Field Offices



MANUFACTURED HOUSING

Contact Information

Executive Staff:

Joe A. Garcia, Executive Director

(Office) 512-475-4999

(Private Cell) 512-785-9629

512-475-1604

Amy Morehouse, General Counsel

Senior Staff:

Cindy Bocz, Disaster Assessment Coordinator

512-475-2884

Verna Boswell, Manager of Processing

512-463-7334

Jim Hicks, Manager of Consumer Protection

512-475-3589

Bradlee Dansbee, Manager of Field Operations

806-794-2105

Customer Service Unit

For consumers needing titling/SOL assistance.

Toll-Free Number 800-500-7074

For consumers needing assistance filing a consumer complaint against a license holder

Toll-Free Number 877-313-3023

Support Services Unit

*For lenders, title companies, attorney's offices, and industry
needing titling/SOL assistance.*

Toll-Free Number 888-576-2240

Physical Address:

221 E. 11th Street
Austin, TX 78701

Mailing Address:

P. O. Box 12489
Austin, TX 78711

Email Addresses:

processing@tdhca.state.tx.us

For sending general titling inquiries, status updates, and questions.

mhraisesponse@tdhca.state.tx.us

For emailing responses to our Requests for Additional Information (RAI) . This email address is only for receiving scanned images, **no one reads any emails from this address, nor are there personal responses or dialogue. However, an automated response is sent out acknowledging receipt of the email.**

mhelectionperfection@tdhca.state.tx.us

For emailing the Statement of Ownership and Location, which has been stamped "Filed" by the County Clerk, in order to perfect an election to real property. The only thing that needs to be sent is the actual SOL and/or the attached page with the date stamp. Be sure to also send a copy to the taxing entity and appraisal district. This email address is only for receiving scanned images, **no one reads any emails from this address, nor are there personal responses or dialogue. However, an automated response is sent out acknowledging receipt of the email.**

licensing@tdhca.state.tx.us

For emailing inquiries or scanned images of manufactured housing occupations licensing documents or application requirements.

installations@tdhca.state.tx.us

For emailing inquiries or scanned images of Installation Reports (Form Ts).

Performance Measures

What is a manufactured Home?

HUD Code Manufactured Home: These are homes built entirely in the factory under a federal building code administered by the U.S. Department of Housing and Urban Development (HUD). The Federal Manufactured Home Construction and Safety Standards (commonly known as the HUD Code) went into effect June 15, 1976.



Manufactured homes may be single or multi-section, measuring more than 320 square feet, and are transported to the site and installed. The federal standards regulate manufactured housing design and construction, strength and durability, transportability, fire resistance, energy efficiency and quality. The HUD Code also sets performance standards for the heating, plumbing, air conditioning, thermal and

electrical systems. It is the only federally-regulated national building code. On-site additions, such as garages, decks and porches, often add to the attractiveness of manufactured homes and must be built to local, state or regional building codes.



Manufactured housing is a huge industry and an available source of high quality affordable housing for many people.

First, manufactured housing is transportable, and many homes are made in multiple sections. This means that there are special challenges in installing and maintaining manufactured homes.

Second, in Texas it is a uniquely flexible product that can be either personal property or, if certain conditions are met, real property, leading to special financing and taxation issues.

Third, manufactured housing is subject not only to a number of Texas laws, it is subject to federal standards that govern its design and construction, typically referred to as the "HUD Code." The Texas laws that govern manufactured housing are to be found in several places, and different aspects of manufactured housing transactions may be subject to oversight by different state agencies.



MANUFACTURED HOUSING

The Law, also known as the Texas Manufactured Housing Standards Act

Found at Texas Occupations Code, Chapter 1201, and administered by the Texas Department of Housing and Community Affairs, Manufactured Housing Division (the "MHD"), this law governs such things as:

- the licensure of those who manufacture, retail, broker, install, or rebuild manufactured homes;
- the requirements for the general conduct of these activities;
- the standards for installation of manufactured homes; and
- the establishment and operation of a statewide database of those homes, showing their ownership, location, lien status, and other matters.

It is implemented by detailed rules found at 10 TAC Part 80. The MHD, although a part of the Texas Department of Housing and Community Affairs, has its own Board and Executive Director.

Manufactured Home Tenancies

Texas Property Code, Chapter 94, addresses the operation of manufactured home parks and manufactured home tenancies. However, it is not administered by any particular agency.



Installation of Manufactured Homes

Manufactured homes can only be installed by an installer who is licensed and bonded with the State of Texas. Licensed installers can employ or subcontract a crew(s) to install the home under their responsibility and license number. Each responsible installer must report every installation on the prescribed Notice of Installation (and fee of \$75 for single-wide, \$100 for double-wide, and \$125 for triple-wide) within 7 days from the date the home is installed.

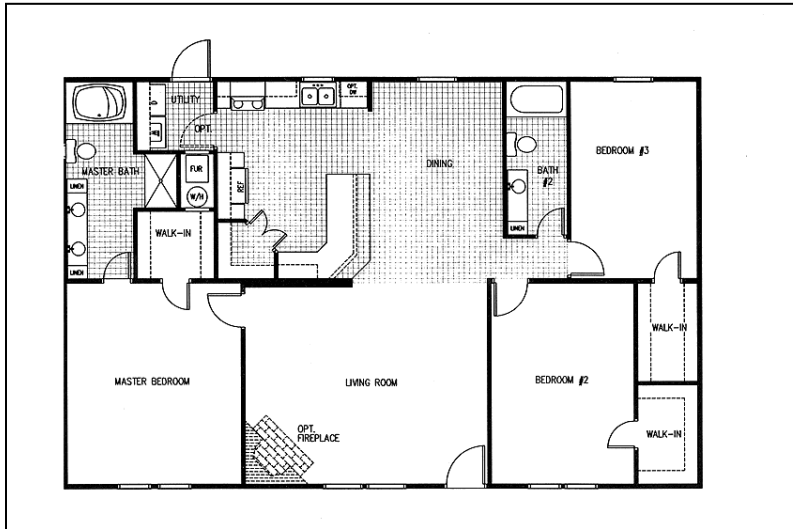
A list of licensed installers available per county is available through the MHD website.

Transportation of Manufactured Homes

Requires overweight/oversize permit issued from the TxDOT Motor Carrier Division.

MANUFACTURED HOUSING

Manufactured Home Illustrations



MANUFACTURED HOUSING

Modular Homes

What Are Modular Homes?

- Modular homes are built in sections or modules at a factory in a controlled environment.
- Modular homes are engineered and built to conform to all state, local or regional building codes where they will be located.
- Sections are transported to the building site on truck beds, then joined together by local contractors.
- Local building inspectors check to make sure a modular home's structure meets requirements and that all finish work is done properly.
- Modular homes are *sometimes* less expensive per square foot than site built houses.
- A well-built modular home should have the same longevity as its site-built counterpart, increasing in value over time.



MANUFACTURED HOUSING

Park Models

What is a Park Model

This is a standard travel trailer that is not self-contained. It is designed for park camping only, and while it is easily moved from site to site, as a normal trailer is, it is not capable of "dry camping" as it does not have any water storage tanks and must be used with hookups. It is not a manufactured home.

Park Model – An RV trailer designed to be taken to a location such as a campground or resort area and set up permanently. A park model trailer has more household type features and amenities than a travel trailer.



Critical elements of HUD Code Manufactured Housing

CONSTRUCTION

- Must be constructed in accordance with HUD Code, and in Texas, can only be built in or shipped to Texas by a manufacturer licensed with the MHD.
- The licensed Manufacturer can only sell the new home to a party who is currently licensed as both a RETAILER and an INSTALLER

SALES/WARRANTY

New

- Only a licensed Retailer/Installer can sell a new home to a consumer.
- All new homes come with a one year warranty. Warranty issues must be made in writing to the manufacturer, retailer and installer, as applicable.
- The Retailer/Installer is responsible for the site preparation on all new homes.

Used

- All used homes sold by a licensed retailer are covered by a 60 day habitability warranty, which warrants that there are no defects or deterioration or damage to the home that creates a dangerous situation; the plumbing, heating, and electrical systems are in safe working order; the walls, floor, and roof are free from substantial openings and are structurally sound; and that all exterior doors and windows are in place and operate properly.

INSTALLATION

- Manufactured homes can only be installed in the Wind Zone for which they were constructed, which is printed on the Manufacturer's Certificate of Origin (MCO) issued by the Manufacturer and the data plate located inside the home.
- For NEW homes, the site preparation is the responsibility of the retailer/installer.
- For USED homes, the site preparation is the responsibility of the consumer and is CRITICAL to the durability of the manufactured home.
- The Retailer/Installer who sold the new home is the "responsible installer" of the home, even if they choose to subcontract the installation. They must also keep in their records a list of all the names of the crew who installed the home.

MANUFACTURED HOUSING

- HUD Code manufactured homes must be installed in accordance with the Manufacturer's specifications, or state generic standard as outlined in §80.20 – 80.26, 10 TAC of the Administrative Code.
- All manufactured homes installed must be reported to the MHD on a prescribed Installation Report which identifies the method in which the home was installed. Additionally, the Retailer/Installer must pay the fee of \$75 for single-wide, \$100 for double-wide, and \$125 for triple-wide manufactured homes.

REPORTING AN INSTALLATION

- Installation Reports (aka Form Ts) and fee(s) must be submitted to the MHD within 7 days from the date of installation. Installation Reports on homes installed through disaster relief should be faxed to the appropriate regional field office for priority handling and inspection.
1. Installations related to disaster relief should be identified as such in order to receive priority handling. Notation can be made in the top margin, such as FEMA INSTALLATION or DISASTER RELIEF.
 2. The TDHCA strives to inspect 100% of all homes installed in accordance with disaster relief.
 3. The Installation Report can be found in the website at: <http://www.tdhca.state.tx.us/mh/docs/1026-formt.doc>

Texas Department of Housing and Community Affairs
 MANUFACTURED HOUSING DIVISION
 P. O. BOX 12489 Austin, Texas 78711-2489
 (800) 500-7074, (512) 475-2200 FAX: (512) 475-3506
 Internet Address: www.tdhca.state.tx.us/mh/index.htm

NOTICE OF INSTALLATION (FORM T)

HUD Label or Texas Seal # (s): _____ Serial # (s): _____

Manufacturer Name: _____ License No. _____

Home Size - Width / Length: _____ X _____ Weight _____ Date of Manufacture: ____/____/____ Model / Name: _____

Draw A Map To Provide Directions To Home On Page 2

Consumer: _____ Phone Numbers: Home: (____) _____ Work: (____) _____

Mailing Address: _____ City _____ ZIP: _____

Site Address: _____ City _____ ZIP: _____

County Where Home is Installed: _____

Actual Installation Date: ____/____/____ Wind Zone on Data Plate: I (____) II (____) III (____)

Is the home installed in a Humid & Fringe Climate? Yes (____) No (____) Was the home labeled for alternate construction. Yes (____) No (____)

	Name	Address	License #	Expiration Date	Phone #
Retailer					
Installer					

(____) New (____) Used Does retailer or installer provide skirting? Yes (____) No (____)

Is installation part of sales contract of used home? Yes (____) No (____) Not Applicable (____)

The home has been installed in accordance with:

(____) 1. Manufacturer's Home Installation Instructions (provide page number or option _____).

(____) 2. State Generic Standards - Title 10 Texas Administrative Code (10 TAC) §§80.22, 80.23, 80.24, and 80.25

(____) 3. A stabilization system registered with the Department in accordance with 10 TAC §80.26 - provide name of system or reference to MHD Approval Letter or registration _____

(____) 4. A Special Foundation System (attach a copy of the drawing for this system and provide a reference, if applicable, to any drawing previously submitted).

IF NO METHOD IS CHECKED, IT WILL BE PRESUMED THAT OPTION 2 (STATE GENERIC STANDARDS) WAS USED.

MANUFACTURED HOUSING

RECORDING OWNERSHIP

Titles, which used to evidence ownership, were replaced in 2003 with the Statement of Ownership and Location (SOL). Ownership of a manufactured home does not pass or vest until an Application for SOL has been filed with the MHD, which is required within 60 days from the date of sale. Application fee is \$55.

Pursuant to §1201.058(c) of the Texas Occupations Code, if the Governor by executive order or proclamation declares a state of disaster under Chapter 418, of Government Code, the director, in accordance with the rules adopted by the board, may waive the imposition of any fee under this chapter in the affected area.

Texas Department of Housing and Community Affairs MANUFACTURED HOUSING DIVISION P. O. BOX 12489 Austin, Texas 78711-2489 (800) 500-7074, (512) 475-2200 FAX: (512) 475-1109 Internet Address: www.tdhca.state.tx.us/mhd/index.htm			
APPLICATION FOR STATEMENT OF OWNERSHIP AND LOCATION			
The filing of an application for the issuance of a Statement of Ownership and Location, later than sixty (60) days after the date of a sale to a consumer for residential use, may result in a fee of up to one hundred dollars (\$100). Any such application that is submitted late may be delayed until the fee is paid in full.			
BLOCK E: Transaction Identification			
This application is for: <input type="checkbox"/> New home application <input type="checkbox"/> Used home application <input type="checkbox"/> Other			
(For Department Use Only) Coding: Lien on file: Y / N Lienholder Code County Code: Right of Surv.: Y / N Retailer #: Manufacturer #:			
BLOCK 2(a): Home Information (required)			
Manufacturer Name:		Model:	
Address:		Date of Manufacture:	
City, State, Zip:		Total Square Feet:	
License Number:		Wind Zone:	
	Label/Seal Number	Complete Serial Number	Weight
Section 1:			Size*
Section 2:			<small>*SIZE: This must be reported on the outside dimensions (length and width) of the home as measured to the base of the home, exclusive of the tongue or other moving devices.</small>
Section 3:			X
Section 4:			X
Section 5:			X
2(b) <input type="checkbox"/> Is home being sold? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, and if there is/are no HUD Label(s) or Texas Seal(s) on your home, a Texas Seal will be needed to be purchased and will be issued to each section of your home at an additional cost of \$35.00 per section. Single - \$35 Double - \$70 Triple - \$105			
BLOCK 3: Home Location (required)			
Physical Location of Home:			
Physical Address (cannot be a R. or P. O. Box)		City	State ZIP County
Was home moved for this sale? <input type="checkbox"/> No <input type="checkbox"/> Yes Was Home Retitled for this sale? <input type="checkbox"/> No <input type="checkbox"/> Yes. If yes, provide installer information below, if known.			
Installer Name: address and phone:			
BLOCK 4: Ownership Information (required)			
4(a) Seller(s) or Transferor(s)		4(b) Purchaser(s), Transferee(s), or Owner(s)	
Name:	License # if Retailer:	Name:	License # if Retailer:
Name:		Name:	
Mailing Address:		Mailing Address:	
City/State/Zip:		City/State/Zip:	
Daytime Phone Number () - () - () - ()		Daytime Phone Number () - () - () - ()	
4(c) Date of sale, transfer or ownership change: Did the buyer trade-in a home to purchase this home? <input type="checkbox"/> No <input type="checkbox"/> Yes. If yes, provide the following:			
4(d) HUD Label _____ Serial No. _____			

HUD Label #:	Serial #:	GF# (for title co.):
BLOCK 5: Right of Survivorship (if no box is checked, joint owners will NOT have right of survivorship)		
If joint owners desire right of survivorship, check the applicable box below: <input type="checkbox"/> Husband and wife will be the only owners and agree that the ownership of the above described manufactured home shall, from this day forward, be held jointly and in the event of death, shall pass to the surviving owner. <input type="checkbox"/> Joint owners are equal husband and wife, desire right of survivorship, and have attached a completed Affidavit of Fact for Right of Survivorship or other affidavit as necessary to meet the requirements of 1201.213 of the Standards Act.		
BLOCK 6: Personal/Real Property Election - Purchaser(s)/Transferee(s)/Owner(s) check one election type:		
<input type="checkbox"/> Personal Property - Applicant elects to treat this home as personal property. All documents affecting title to the home will be filed in the records of the Department. <input type="checkbox"/> Real Property - I (we) elect to treat this home as real property and certify that I am (we are) entitled to make this election in accordance with Section 1201.2855 of the Occupations Code because: (one box must be checked): <input type="checkbox"/> I (we) own the real property that the home is attached to. <input type="checkbox"/> I (we) have a qualifying long-term lease for the land that the home is attached to. I (We) understand that the home will not be considered to be real property until a certified copy of the SOL has been filed in the real property records of the county in which the home is located AND a copy stamped "Filed" has been submitted to the Department. Legal description must be provided for real property: _____		
If a title company, list your file or GF #: _____ <input type="checkbox"/> Inventory - (FOR RETAILER USE ONLY) Retailer number must be provided in Block 4b if this election is checked.		
BLOCK 7: Designated Use - to be designated by purchaser(s), transferee(s), or owner(s)		
<input type="checkbox"/> Residential Use (as a dwelling) OR <input type="checkbox"/> Non-Residential - Check one of the following: <input type="checkbox"/> Business Use <input type="checkbox"/> Salvage		
BLOCK 8: Liens - To specify any liens on the SOL, the NOTICE OF LIEN FORM must be completed and submitted with the application. To prevent an SOL from being issued without a lien, in the event the Notice of Lien is detached, indicate name and phone number of lienholder's contact person and phone number. Lienholder's Representative: _____ Phone: _____		
BLOCK 9: Special Mailing Instructions		
IF a copy of an SOL is to be mailed to anyone other than the owner or lienholder of record (such as a closing agent), please provide that mailing address here and enclose the additional fee.		Name: _____ Company: _____ Street Address: _____ City, State, Zip: _____ Area Code/Phone: _____
BLOCK 10: Certification and Notarization - The statements set forth herein are made under oath and are true and correct.		
<input type="checkbox"/> Seller certifies that any required habitability warranty has been delivered (consumer to consumer sales are exempt). <input type="checkbox"/> Seller certifies that the purchaser has been given a written disclosure on a form prescribed by the Department describing the condition of the home and of any appliances that are included in the home.		
10(a) Notarized Signature of each seller/transferee		10(b) Notarized Signature of each purchaser/transferee or owner
Signature of owner or authorized seller _____ Sworn and subscribed before me this ____ day of _____, 20____		Signature of purchaser/transferee or owner _____ Sworn and subscribed before me this ____ day of _____, 20____
SEAL		SEAL
Signature of Notary _____ Sworn and subscribed before me this ____ day of _____, 20____		Signature of Notary _____ Sworn and subscribed before me this ____ day of _____, 20____
SEAL		SEAL

MANUFACTURED HOUSING

HOW MANUFACTURED HOMES ARE IDENTIFIED

HUD LABEL

A HUD Label is a 2" x 4" red and silver metal plate attached to the rear of every manufactured home built after June 15, 1976. It contains a three letter prefix followed by six or seven numbers. (Example: XXX-123456)



Note: If the home is missing a HUD Label a Texas Seal must be purchased and attached to your home prior to selling it.

TEXAS SEAL

A Texas Seal is a 3 1/2" X 3 1/2" silver metal plate with an outline of the State of Texas. A three letter prefix followed by six numbers is also imprinted on the Seal. (For example TXS123456)



MANUFACTURED HOUSING

COMFORT HEATING
The manufacturer warrants that the factory installed equipment meets the requirements of the National Manufactured Home Construction and Safety Standards for all sections under section 5.1.

COMFORT COOLING
An optional manufacturer warrant is available for the factory installed equipment.

INSULATION
The manufacturer warrants that the insulation meets the requirements of the National Manufactured Home Construction and Safety Standards for all sections under section 5.1.

WARRANTY
The manufacturer warrants that the factory installed equipment meets the requirements of the National Manufactured Home Construction and Safety Standards for all sections under section 5.1.

CONSTRUCTION
The manufacturer warrants that the construction meets the requirements of the National Manufactured Home Construction and Safety Standards for all sections under section 5.1.

PERFORMANCE
The manufacturer warrants that the performance meets the requirements of the National Manufactured Home Construction and Safety Standards for all sections under section 5.1.

TESTING
The manufacturer warrants that the testing meets the requirements of the National Manufactured Home Construction and Safety Standards for all sections under section 5.1.

REPAIRS
The manufacturer warrants that the repairs meet the requirements of the National Manufactured Home Construction and Safety Standards for all sections under section 5.1.

REPLACEMENT
The manufacturer warrants that the replacement meets the requirements of the National Manufactured Home Construction and Safety Standards for all sections under section 5.1.

LIABILITY
The manufacturer warrants that the liability meets the requirements of the National Manufactured Home Construction and Safety Standards for all sections under section 5.1.

Data Plate

A Data Plate is an information sheet containing important data on your manufactured home. The plate is usually affixed to a wall or door in one of the following locations: the main panel box; the master bedroom closet; the laundry area; or the kitchen. It shows maps of the United States, HUD label numbers, and serial numbers of the home.

Manufacturer's Certificate of Origin (MCO)

The Manufacturer's Certificate of Origin is a document showing the original transfer of a manufactured home from the manufacturer to the retailer.

MANUFACTURER'S CERTIFICATE OF ORIGIN TO A MANUFACTURED HOME
THE UNDERSIGNED MANUFACTURER HEREBY CERTIFIES THAT THE NEW MANUFACTURED HOME DESCRIBED HEREIN, THE PROPERTY OF SAID MANUFACTURER, HAS BEEN TRANSFERRED ON THE DATE SET FORTH HEREIN, SUBJECT TO THE TERMS AND CONDITIONS OF THE INVOICE OR OTHER APPLICABLE AGREEMENT TO:

NAME OF RETAILER: **WALTON MOBILE HOMES** REG. NO. **25-9999** ADDRESS OF RETAILER: **25 MOBILE HOME STREET** CITY: **ALSOON** STATE: **TX** ZIP: **76711**

REG. NO. **1-0-01-918** SERIAL NUMBER: **REG-1182828** SERIAL MANUFACTURE: **09-01-94** MANUFACTURE: **06/11/94** VIN: **1120**

MODEL NO. **TCC-123456** SERIAL NO. **TMP-123546** PRICE: **23,000** FEET: **14 x 60** MANUFACTURE: **06/11/94**

FIRST ASSIGNMENT DATE: **06/11/94** REGISTERED BY: **WALTON MOBILE HOMES**

CONSTRUCTED FOR: **ENERGY ZONE 2**
WIND ZONE 1

THE MANUFACTURER WARRANTS THAT A GOOD AND MARKETABLE TITLE IS BEING TRANSFERRED AND THAT NO OTHER VALID MANUFACTURER'S CERTIFICATE OF ORIGIN IS ISSUED AND OUTSTANDING ON THE MANUFACTURED HOME DESCRIBED HEREIN.

REGISTERED NO. **14-999**

SECOND ASSIGNMENT DATE: **06/11/94** REGISTERED BY: **WALTON MOBILE HOMES**

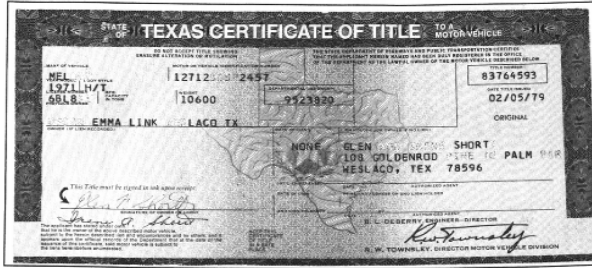
ADDRESS OF MANUFACTURER: **200 DECAL LAKE**

CITY: **WACO** STATE: **TX** ZIP: **76704**

INVOICE #

NOTE: THIS MANUFACTURER'S CERTIFICATE OF ORIGIN MAY NOT BE ASSIGNED BY A RETAILER WHOSE NAME APPEARS HEREIN UNLESS TO ANOTHER RETAILER REGISTERED WITH THE TEXAS DEPARTMENT OF LICENSING AND REGULATION. ANY TRANSFER OF TITLE TO A CONSUMER / PURCHASER MUST BE ACCOMPANIED BY A PROPERLY EXECUTED AFFIDAVIT OF ORIGIN AND THE SURRENDER OF THE MANUFACTURER'S CERTIFICATE OF ORIGIN.

MANUFACTURED HOUSING

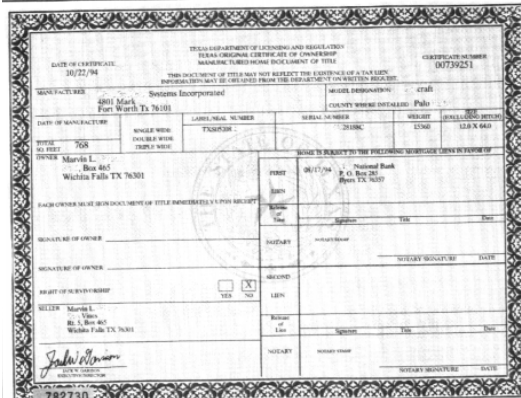
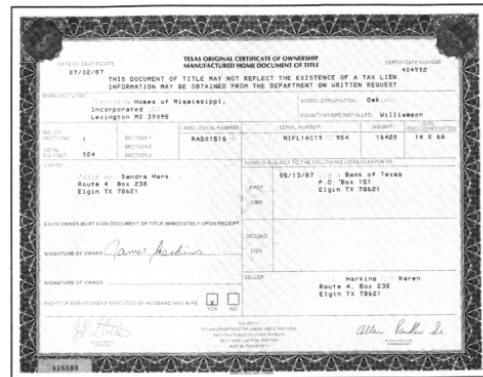


**Certificate of Title
Version 1**

This version was issued by the Department of Highways and Public Transportation until 1982.

**Certificate of Title
Version 2**

This version of a manufactured housing document of title was issued from 1982 - 1995.



**Certificate of Title
Version 3**

This version of the manufactured housing document of title was issued from 1995 - 2003

MANUFACTURED HOUSING



Access our website at:
www.tdhca.state.tx.us

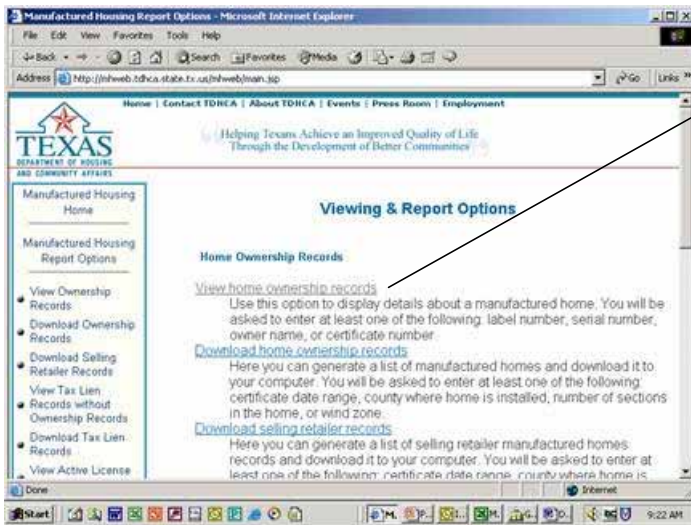
Select the red
MANUFACTURED
HOUSING TAB



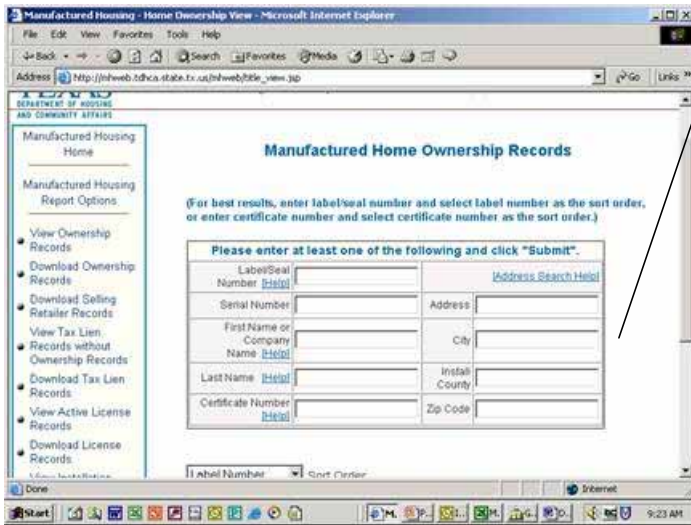
Scroll to the bottom of
this column and
select SEARCH OUR
DATABASE

Under the FEATURED folder,
sign up to get on our mailing
list and receive notice of any
changes in forms, procedures,
the Law or Rules.

MANUFACTURED HOUSING

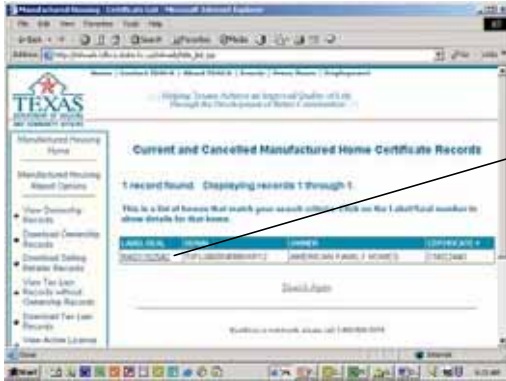


Click on VIEW HOME OWNERSHIP RECORDS



Enter one field of home information to location a record.
TIP:
HUD Label numbers always consist of 3 letters and 7 numbers, so you may need to add a zero if not enough numbers.
Example:
TEX123456 would have to be entered as TEX0123456

MANUFACTURED HOUSING



Click on the LABEL/SEAL number to access record.



If the application was incomplete, a Request for Additional Information is sent and the details identified by clicking here.

Perfecting the real property election



TEXAS DEPARTMENT
OF HOUSING AND
COMMUNITY AFFAIRS

*Manufactured Housing
Division*

P.O. Box 12489
Austin, TX 78711-2489
Phone: 512-475-2200
Toll Free: 800-500-7074

*Your Statement of Ownership and Location (SOL)
Which Has Been Elected as Real Property*

1. **Within sixty (60) days from the date issued**, take the SOL to the County Clerk, which will record the SOL in the county deed records and date stamp it.
2. **Notify the County Tax Assessor-Collector** that the certified copy of the SOL has been recorded.
3. Mail, fax or email a copy of the SOL stamped recorded by the county along with confirmation that the County Tax Assessor-Collector has been notified.

Confirmation of receipt will be provided. You may confirm if the election has been perfected by accessing the record from our Web site at http://mhweb.tdhca.state.tx.us/mhweb/title_view.jsp

If the steps above are not completed, the real estate election is not perfected, the home remains personal property, and any applicable real property liens may not be effective.

008

Occupations Code - Abandoned Homes

Sec. 1201.217. Manufactured Home Abandoned.

- (a) The owner of real property on which a manufactured home owned by another is located may declare the home abandoned as provided by this section if the home has been continuously unoccupied for at least four months and any indebtedness secured by the manufactured home is also delinquent.
- (b) Before declaring a manufactured home abandoned, the owner of real property on which the home is located must send a notice of intent to declare the home abandoned to the record owner of the home, all lienholders at the addresses listed on the home's statement of ownership and location on file with the department, and the tax collector for each taxing unit that imposes ad valorem taxes on the real property where the home is located, and any intervening owners of liens or equitable interests. The notice must include the address where the home is currently located. If the person giving such notice knows that the person to whom the notice is being given no longer resides and is no longer receiving mail at a known address, a reasonable effort shall be made to locate the person and give the person notice at an address where the person is receiving mail.. Mailing of the notice by certified mail, return receipt requested, postage prepaid, to the persons required to be notified by this subsection constitutes conclusive proof of compliance with this subsection.
- (c) On receipt of a notice of intent to declare a manufactured home abandoned, the record owner of the home, a lienholder, or a tax assessor-collector for a taxing unit that imposes ad valorem taxes on the real property on which the home is located , and any intervening owners of liens or equitable interests, may enter the real property on which the home is located to remove the home. The real property owner must disclose to the record owner, leinholder, or tax assessor-collector seeking to remove the home the location of the home and grant the person reasonable access to the home. A person removing a home is responsible to the real property owner for any damage to the real property resulting from the removal of the home.
- (d) If the manufactured home remains on the real property for at least 45 days after the date the notice is postmarked:
 - (1) all liens on the home are extinguished; and
 - (2) the real property owner may declare the home abandoned and may apply to the department for a statement of ownership and location listing the real property owner as the owner of the manufactured home.
- (e) A new statement of ownership and location issued by the department under this section transfers, free of any liens, if there is evidence of United States Postal Service return receipt from all lienholders, title to the manufactured home to the real property owner.
- (f) This section does not apply if the person who owns the real property on which the manufactured home is located and who is declaring that the home is abandoned, or any person who is related to or affiliated with that person, has now, or has ever owned, an interest in the manufactured home.

Added by Acts 2005, 79th Leg. Amended by Acts 2007, 80th Leg., HB 1460, Sec. 31, eff. January 1, 2008.

MANUFACTURED HOUSING

Abandoned Home Application Procedure

An application for Statement of Ownership and Location (SOL) submitted pursuant to §Section 1201.217 of the Occupations Code should consist of:

1. Application for SOL

- Block 1 – Note in “Other”, “Abandoned Home”
- Block 2a – Provide general home information as listed on title/SOL
- Block 3 – Physical address, city, state, zip code and county
- Block 4a - Owner of record (person on the title) is the Transferor
- Block 4b - Real property owner(s) declaring the home abandoned is the Transferee(s)
- Block 4c – Date of transfer of ownership
- Block 5 – Right of survivorship if applicable
- Block 6 – Personal or real property (provide legal description if elected as real property)
- Block 7 – Residential or Non-residential
- Block 10a – Note “See Affidavit of Fact”
- Block 10b – Notarized signature(s) of Transferee(s)

2. Affidavit of Fact (notarized statement) by the Transferee stating that:

- The transferee is declaring the home as abandoned.
- The home has been continuously unoccupied for at least four months.
- Notice of the Transferee’s intent to declare the home abandoned has been sent to the owner of record, lienholder(s) of record, the tax collector of record and the tax collector where the home is actually installed.
- Forty five (45) days from the date the letter was postmarked or the green card was signed (whichever applies) has passed and the home has not been removed.

3. Supporting documentation

- Proof that notice of intent to declare the home abandoned was sent via certified mail return receipt requested, to owner of record (actual letter returned undeliverable or signed green card).
- Proof that notice of intent to declare the home abandoned was sent via certified mail return receipt requested, to lienholder(s) of record (actual letter returned undeliverable or signed green card).
- Proof that notice of intent to declare the home abandoned was sent via certified mail return receipt requested, to the tax collector of record and the tax collector where the home is actually installed.

4. Fee of \$55

ATTACHMENTS

1. Procedures for most common titling transactions
2. Department flyer sent by lienholders to borrowers when they pay off their loan.
3. Summary of House Bill 2238, which amended
4. Chapter 1201 of the Texas Occupations Code

Exhibit B

III. History and Major Events

Provide a timeline of your agency's history and key events.

81st Texas Legislature, HB 2238 – Internal Staff Training Manual.

Texas Department of Housing and Community Affairs,
Manufactured Housing Division



81st Texas Legislature
House Bill 2238,
Effective September 1, 2009

81st Texas Legislature
House Bill 2238
Manufactured Housing Division
Effective September 1, 2009

- I. Outline of House Bill 2238
- II. Summary of House Bill 2238
- III. House Bill 2238
- IV. Manufactured Housing Division Legislative Cheat Sheet

Manufactured Housing Division's Outline of House Bill 2238, 81st Texas Legislature

I. Section 1, Electronic Means Authorized

- a. Section 1201.009 of the Occupations Code
- b. **Old Law:** Previously, applications would be submitted via mail or hand delivered.
- c. **New Law:** Now actions may be accomplished by electronic means, as opposed to in person or via mail.
- d. **New Procedure:** Our new data base will allow individuals to apply for SOL's and licensure online.

II. Section 2, Amount of Fees

- a. Section 1201.058 of the Occupations Code
- b. **Old Law:** If the Executive Director deemed it appropriate a fee could be refunded.
- c. **New Law:** Allows Executive Director the ability to waive fees in the event of a disaster with a Governor's proclamation or executive order.
- d. **New Procedure:** In the event of a disaster, such as a hurricane, the Department will waive some required fees when and where appropriate.

III. Section 3, Qualifications for License

- a. Section 1201.104(c), (e) and (f) of the Occupations Code
- b. **Old Law:** In the past a sales person was required to take the next instruction course offered to maintain their salesperson's license.

- c. **New Law:** Salesperson must complete course of instruction within 90 days of licensure.
- d. **Old Law:** Continuing Education courses were live and had to be attended.
- e. **New Law:** Courses no longer need to be live, they may be offered online.
- f. **Old Law:** An applicant for an installer's license had a "probationary" license until they successfully completed 5 installations.
- g. **New Law:** An applicant for an initial installer's license will now receive a "provisional" license until 5 installations are completed without material violations.
- h. **New Procedures:** The Department will start to verify the course instruction is taken within 90 days by a new salesperson licensee; start accepting continuing education offered online; and verify all databases and form letters now refer to a provisional installer's license where appropriate.

IV. Section 4, Certification and Continuing Education Programs

- a. Section 1201.113(b) of the Occupations Code
- b. **Old Law:** "Attendance" of Continuing Education course was required.
- c. **New Law:** Now "completion" of continuing education course is required.
- d. **New Procedure:** The Department will approve Continuing Education Courses that may be offered online.

V. Section 5, License Expiration

- a. Section 1201.114 of the Occupations Code

- b. **Old Law:** This section covered the probation process for a licensed salesperson and installer.
- c. **New Law:** Removal of any reference to the probation process of a licensed sales person or installer.
- d. **New Procedure:** The probation procedure will remain the same, but all license probation is covered in Section 1201.554.

VI. Section 6, Procedure for License Renewal

- a. Section 1201.116(a) and (c) of the Occupations Code
- b. The 2007 Legislature changed the license renewal period to 2 years; however, some places in the law still referenced a 1 year renewal.
- c. **Old Law:** A license renewal fee was required annually, and a renewal license expired every year.
- d. **New Law:** The fee for license renewal is no longer required annually and a license expires every two years.
- e. **New Procedure:** Renewal of a license expires on the second anniversary of the date the license was renewed. The appropriate application and fee will be collected every two years.

VII. Section 7, Manufacturer's Certificate

- a. Section 1201.204(c) of the Occupations Code
- b. **Old Law:** When an SOL applicant for a new home fails to submit the Original Manufacturer's Certificate, notice was to be sent to the party with a recorded lien on the inventory.
- c. **New Law:** When an SOL applicant for a new home fails to submit the Original Manufacturer's Certificate, notice now only needs to be sent to the party with a

recorded lien on the inventory *with respect to the particular home*.

- d. **New Procedure:** The Department will only send notice to lien holders listed with respect to that particular home when an MCO is not submitted. A new inventory lien form may need to be created.

VIII. Section 8, Application for Issuance of Statement of Ownership and Location

- a. Section 1201.206(g) of the Occupations Code
- b. **Old Law:** *Only the Seller* could file a statement saying there are no taxes on the personal property that may have accrued on January 1 that falls within 18 months before the date of sale.
- c. **New Law:** *Anyone can file a statement* saying there are no taxes on the personal property that may have accrued on January 1 that falls within 18 months before the date of sale.
- d. **New Procedure:** the Department will begin accepting statements regarding taxes from any party including directly from the Tax Assessor-Collector when processing SOL applications.

IX. Section 9, Issuance of Statement of Ownership and Location

- a. Section 1201.207(c) of the Occupations Code
- b. **Old Law:** A change to the SOL could only be made with consent from all parties.
- c. **New Law:** A change of lien assignment may be changed on the SOL without the consent of all interested parties. If it is determined that a SOL was issued improperly to an owner, for example via fraud,

the Department may correct the SOL without the owner's consent or a court order.

- d. **New Procedure:** If proper documentation is provided these changes may be made to an SOL without all of the parties consent. The SOL revocation process may also still be used when appropriate.

X. Section 10, Manufactured Home Abandoned

- a. Section 1201.217(b) and (c) of the Occupations Code
- b. **Old Law:** When acquiring a SOL through abandonment the Applicant supplied notice of their intent to the record owner of the home, a lienholder, and the tax assessor-collector.
- c. **New Law:** When acquiring a SOL through abandonment the Applicant must supply notice of their intent to the record owner of the home, a lienholder, the tax assessor-collector and *an intervening owner of a lien or equitable interest*.
- d. **New Procedure:** When issuing a SOL based on abandonment ensure notice also goes to any intervening owner of a lien. The intervening owner of a lien also has the ability to retrieve the home after receiving the notice.

XI. Section 11, Perfection and Effect of Liens

- a. Section 1201.219 of the Occupations Code
- b. **Old Law:** Section 1201.219 (b) explained how to perfect a normal lien and a tax lien in one paragraph.
- c. **New Law:** Section 1201.219(b) now states how to perfect a lien. Section 1201.219(d) now states how to perfect a tax lien.

- d. **New Procedure:** Change made solely for the purpose of clarification.

XII. Section 12, Installation of Manufactured Housing

- a. Section 1201.255(a) of the Occupations Code
- b. **Old Law:** An Installer could not install a **used or new** home if there was evidence of ponding or uncompacted soil without the acknowledgement of the consumer that this could cause future damage.
- c. **New Law:** Now an Installer may only install a *used home* with a disclosure signed by the consumer stating that poor conditions may cause future problems with the stabilization system of the manufactured home and the owner accepts that risk.
- d. **New Procedure:** Change made to come into compliance with Federal Regulation which requires an installer to be responsible for site preparation on a *new home*. The department will no longer accept these disclosure forms for new homes.

XIII. Section 13, Failure to Show Good Cause; Hearing Results

- a. Section 1201.358(c) of the Occupations Code
- b. **Old Law:** Warranty obligations could only be re-assigned to another licensee if the original licensee was out of business or their license was revoked.
- c. **New Law:** Warranty obligation may be re-assigned when a licensee is:
 - i. Out of Business;
 - ii. License has been revoked;
 - iii. *License has been Suspended; or*

iv. in violation of a Director's Warranty Order

- d. **New Procedure:** If a Director determines at a Directors Disciplinary Meeting that an individual is in violation of a Director's Warranty Order he may determine it to be appropriate to assign the warranty obligation to another party.

XIV. Section 14, Consumer Compensation

- a. Section 1201.404(a) of the Occupations Code
- b. **Old Law:** Home Owner's Recovery Trust Fund could only refund a consumer.
- c. **New Law:** Home Owner's Recovery Trust fund may reimburse the Consumer directly or a *third party on behalf of the consumer*.
- d. **New Procedure:** For example, if taxes must be paid to a taxing entity to provide a clear title to the consumer payment may be made directly to the taxing entity on the consumer's behalf.

XV. Section 15, Repealed Statutes:

- a. Section 1201.160 of the Occupations Code
- i. Proof of insurance is no longer required by the Department to perform an installation function.
- b. Section 1201.2055(b) of the Occupations Code
- i. Notarized signature on an SOL application is no longer required.
- c. Section 1201.405(b) of the Occupations Code
- i. Attorney's Fees may no longer be claimed through the Home Owner's Recovery Trust Fund.
- ii. This statute was in conflict with Section 1201.405(f)(3).

XVI. Section 16, Application of Law Changes

- a. Section 1201.104 (c) and (f) as amended apply only to a license application filed on or after the effective date of this Act.
- b. Sections 1201.113(b) and 1201.116(c) as amended apply only to a license that is renewed on or after the effective date of this Act.
- c. Section 1201.206(g), as amended applies only to an application for a SOL filed on or after the effective date of this Act.

XVII. Section 17, Effective on September 1, 2009

**Texas Department of Housing and Community Affairs,
Manufactured Housing Division**

**Summary of H.B. 2238, Written by Representative Hamilton and
S.B. 1856, Written by Senator Eltife
81st Texas Legislature**

Background: On March 3, 2009 House Bill 2238 was filed with the House and on March 9, 2009, the identical companion bill, Senate Bill 1856, was filed with the Senate. This Bill was signed by the governor on May 20, 2009 and goes into effect on September 1, 2009.

Sec. 1, Electronic Means Authorized. The change to Section 1201.009 of the Occupations Code allows the Manufactured Housing Division (Department) to adopt rules to facilitate the use of electronic means to complete actions. For example, in the future the Department would like to allow the public to file applications for Statements of Ownership and Location online. It may also facilitate activities, such as, applying for licensure with the Department.

Sec. 2, Amount of Fees. An addition was made to Section 1201.058 of the Occupations Code to allow the executive director the ability to waive any fees in the event of a disaster, as determined by the governor in a proclamation or executive order.

Sec. 3, Qualifications for License. This change amends Sections 1201.104(c), (e), and (f) of the Occupations Code. First, it allows the Salesperson 90 days to complete the required course of instruction, as opposed to the next scheduled class. This adds additional flexibility for the licensee. The Department is offering the class more frequently and this will give an applicant additional opportunities to take the course. Second, Section 1201.104(e) removes the requirement that all classes must be live, and may not be given online. This gives the Department additional discretion as to how the classes shall be conducted, but does not limit the Department's ability to require classes to be live if appropriate. Last, the amendment to Section 1201.104(f) changes a "probationary" installer's license to a "provisional" installer's license. This change is made to clarify that installer's have not received disciplinary action, but are new installers that have not yet had five installations approved by the Department.

Sec. 4, Certification and Continuing Education Programs. This change to Section 1201.113(b) ensures that an applicant for licensure completes the continuing education course as opposed to attending the continuing education course. This ensures the law is consistent if online classes are offered.

Sec. 5, License Expiration. This change to Section 1201.114 of the Occupations Code was made to remove any reference to probation of a license from this Section. A license still remains in effect for two years, but the ability to place a license on probation is covered in Section 1201.554 instead of Section 1201.114 of the Occupations Code. In Section 1201.114(b) there was only reference to the probation of a licensed salesperson or installer, which may be confusing as the Department may place all types of licenses on probation.

Sec. 6, Procedure for License Renewal. This change to Section 1201.116 (a) and (c), allows a license to be renewed every two years as opposed to each year. This change was made last session, but this clarification was required to ensure the statute was consistent through out.

Sec. 7, Manufacturer's Certificate. This change amended Section 1201.204(c) which limits who notice shall be sent to by the Department when the manufacturer's certificate is not received with a statement of ownership. Currently, the Department is sending notice to *all* inventory lien holders for the Retailer in question. This change limits who the notice shall be sent to by clarifying that it is only required to be sent to the party, on the Department's records, having a recorded lien on the inventory *with respect to the particular home*.

Sec. 8, Application for Issuance of Statement of Ownership and Location. This change amended Section 1201.206 (g) enabling anyone to file a statement that there is no personal property taxes due on the manufactured home that may have accrued on each January 1 that falls within 18 months before the date of sale. This allows more leniency as to who is allowed to file the documentation with the Department. Previously, the seller was charged with filing the documentation; however, this was not always efficient because in some cases the seller was no longer involved with the transaction. Additionally, the amendment stipulates that the statement should be provided by the taxing unit that has the power to tax the manufactured home. If an individual can prove a home was not located in a certain county on January 1, the application would not need a statement from that taxing entity of record.

Sec. 9, Issuance of Statement of Ownership and Location. This change amends Section 1201.207(c) to allow a change to a statement of ownership and location without the consent of all parties, if the change is regarding the servicing of a loan on a manufactured home, or change in ownership of a lien on a manufactured home. This increases the Department's flexibility to make changes to the statement of ownership and location without consent from all parties. For example, if one lien holder buys out the current lien holder this change may be made to the statement of ownership and location without the owner's consent.

The change also allows the Department to alter the record to accurately reflect the **proper** owner's identity for activity that occurred before the issuance of the statement of ownership and location. For example, if it is demonstrated that the statement of ownership and location was acquired through fraud the Department may make the correction without the consent of the owner of record. The Department may still use the revocation process of a statement of ownership and location, but it is not required.

Sec. 10, Manufactured Home Abandoned. This change amends Section 1201.217(b) and (c) of the Occupations Code. In the past to acquire a home through abandonment you had to give notice to the owner of record, a lien holder and the appropriate tax assessor-collector. This addition also requires the individual to give notice to an intervening owner of a lien or equitable interest and allows them the opportunity to remove the home. If a lien on a home is assigned to another party, proper notice must also be given to the new lien holder and that lien holder shall be given the opportunity to remove the home.

Sec. 11, Perfection and Effect of Liens. The change to Section 1201.219 of the Occupations Code only reorganizes the statute, but makes no changes to the intent of the statute. Currently

the means of perfecting a lien and a tax lien are combined into one section and one form which may be confusing. This amendment separates the statute so the first section specifies how to perfect a lien and the second section states how to perfect a tax lien on a manufactured home.

Sec. 12, Installation of Manufactured Housing. This change amends Section 1201.255(b) of the Occupations Code so it only applies to the installation of a used manufactured home so as not to conflict with recent Federal mandates on the installation of new homes.

Sec. 13, Failure to Show Good Cause; Hearing Results. This change amends Section 1201.358(c) of the Occupation Code. This expands the director's ability to reassign a warranty obligation of a manufacturer, retailer, or installer. Prior to the change an order re-assigning a warranty obligation could only be made if the responsible party was out of business or whose license had been revoked. These additions also allow a re-assignment if the responsible parties license has been suspended or is subject to an administrative sanction for failure to comply with a director's warranty order.

Sec. 14, Consumer Compensation. This change amends Section 1201.404(a). When distributing funds from the Home Owner's Recovery Trust Fund the statute now allows for payment not only to be made directly to the consumer, but also to a third party on behalf of a consumer. For example, if taxes must be paid to obtain a statement of ownership and location for the consumer, the director may elect to make the appropriate payment directly to the taxing entity on behalf of that consumer.

Sec. 15, Repealed Statutes:

Proof of Insurance Required for Installer. Section 1201.160 is repealed. An installer is no longer required to file proof of insurance in order to perform an installation function.

Election by Owner. Section 1201.2055(b) is repealed. Individuals will no longer be required to get a signature notarized on an application for statement of ownership and location.

Limitations on Claims. Section 1201.405(b) is repealed. Attorney's fees may no longer be claimed from the Home Owner's Recovery Trust Fund. This portion of the statute was in conflict with Section 1201.405(f)(3) which stated that the Trust Fund could not be held liable for attorney's fees.

Sec. 16, Application of Law Changes. Changes made to Section 1201.104(c) and (f) are not retroactive. Any application which is filed prior to this law taking effect will follow the former statute. Sections 1201.113(b) and 1201.116(c) apply only to a license that expires on or after the effective date of this act. Section 1201.206(g) applies only to an application for a statement of ownership and location filed on or after the effective date of this act.

Sec. 17. This Act takes effect on September 1, 2009.

H.B. No. 2238

AN ACT

relating to the regulation of manufactured housing.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 1201, Occupations Code, is amended by adding Section 1201.009 to read as follows:

Sec. 1201.009. ELECTRONIC MEANS AUTHORIZED. If feasible, any action required under this chapter may be accomplished by electronic means.

SECTION 2. Section 1201.058, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) If the governor by executive order or proclamation declares a state of disaster under Chapter 418, Government Code, the director, in accordance with rules adopted by the board, may

waive the imposition of any fee under this chapter in the affected area.

SECTION 3. Sections 1201.104(c), (e), and (f), Occupations Code, are amended to read as follows:

(c) An applicant for a salesperson's license may apply for a license without having completed the course of instruction if [~~provided—that~~] the person successfully completes the [~~next scheduled~~] course not later than the 90th day [~~offered~~] after the date of the person's licensure. If the person fails to complete such course successfully and in a timely manner, the person's license is automatically suspended until the person successfully completes the course.

(e) The board shall adopt rules relating to course content and approval. [~~Classes must be live. Online or other electronic classes are not permitted.~~]

(f) An applicant for an initial installer's license shall receive a license on a provisional [~~probationary~~] basis. The

person's provisional [~~probationary~~] status remains [~~shall remain~~] in effect until [~~such time as~~] a sufficient number of installations completed by the person have been inspected by the department and found not to have any identified material violations of the department's rules. The board, with the advice of the advisory committee to be established under Section 1201.251, shall adopt rules to establish what constitutes a sufficient number of installations under this subsection.

SECTION 4. Section 1201.113(b), Occupations Code, is amended to read as follows:

(b) Completion of [~~Attendance at~~] an approved or administered continuing education course described by Subsection (a) is a prerequisite to renewal of a license.

SECTION 5. Section 1201.114, Occupations Code, is amended to read as follows:

Sec. 1201.114. LICENSE EXPIRATION [~~PROBATIONARY LICENSE~~].
[~~(a)~~] Any license under this chapter [~~other than a probationary~~]

license] is valid for two years. A license may be renewed as provided by the director. A person whose license has been suspended or revoked or whose license has expired may not engage in activities that require a license until the license has been reinstated or renewed.

~~[(b) If the director determines that a licensed salesperson or installer should receive a probationary license, the director may issue a probationary license on such terms and for such period as are deemed reasonable. The issuance of a license on a probationary basis, any one or more of the specific terms of the probation, or the period of probation may be appealed before the 31st day after issuance of the probationary license by written notice to the director. If appeal is made, the director shall set the matter for a hearing before the State Office of Administrative Hearings, and all administrative proceedings relating to the issuance of the probationary license shall be deemed to be a contested case under Chapter 2001, Government Code. If no appeal~~

~~is made, the probationary license shall be issued and shall remain in effect in accordance with the terms specified.]~~

SECTION 6. Sections 1201.116(a) and (c), Occupations Code, are amended to read as follows:

(a) The department shall renew a license if the department receives the renewal application and payment of the required ~~[annual]~~ fee before the expiration date of the license.

(c) The renewal license expires on the second ~~[first]~~ anniversary of the date the license was renewed.

SECTION 7. Section 1201.204(c), Occupations Code, is amended to read as follows:

(c) After the first retail sale of a manufactured home, the retailer must submit the original manufacturer's certificate for that home to the department. If an application for an initial statement of ownership is made without the required manufacturer's certificate and the retailer does not provide it as required, the department shall, on or before the issuance of the requested

statement of ownership and location, send written notice to each party currently reflected on the department's records as having a recorded lien on the inventory of that retailer with respect to that home. Failure to include the original manufacturer's certificate with such an application does not impair a consumer's ability to obtain, on submittal of an otherwise complete application, a statement of ownership and location free and clear of any liens other than liens created by or consented to by the consumer.

SECTION 8. Section 1201.206(g), Occupations Code, is amended to read as follows:

(g) When [~~the seller files~~] an application for the issuance of a statement of ownership and location for a used manufactured home that is not in a retailer's inventory is filed, [~~the seller shall also file with the department~~] a statement from the tax assessor-collector for the taxing unit having power to tax the manufactured home shall also be filed with the department. The

statement from the tax assessor-collector must indicate that there are no personal property taxes due on the manufactured home that may have accrued on each January 1 that falls within the 18 months before the date of the sale.

SECTION 9. Section 1201.207(c), Occupations Code, is amended to read as follows:

(c) Except with respect to any change in use, servicing of a loan on a manufactured home, or change in ownership of a lien on a manufactured home, but subject to Section 1201.2075, if the department has issued a statement of ownership and location for a manufactured home, the department may issue a subsequent statement of ownership and location for the home only if all parties reflected in the department's records as having an interest in the manufactured home give their written consent or release their interest, either in writing or by operation of law, or the department has followed the procedures provided by Section 1201.206(k) to document ownership and lien status. Once the

department issues a statement of ownership and location, the department shall not alter the record of the ownership or lien status, other than to change the record to accurately reflect the proper owner's or lienholder's identity, of a manufactured home for any activity occurring before the issuance of the statement of ownership and location without either the written permission of the owner of record for the manufactured home, their legal representative, or a court order.

SECTION 10. Sections 1201.217(b) and (c), Occupations Code, are amended to read as follows:

(b) Before declaring a manufactured home abandoned, the owner of real property on which the home is located must send a notice of intent to declare the home abandoned to the record owner of the home, all lienholders at the addresses listed on the home's statement of ownership and location on file with the department, [and] the tax collector for each taxing unit that imposes ad valorem taxes on the real property where the home is located, and

any intervening owners of liens or equitable interests. The notice must include the address where the home is currently located. If the person giving such notice knows that a ~~the~~ person to whom the notice is being given no longer resides and is no longer receiving mail at a known ~~sueh~~ address, a reasonable effort shall be made to locate the person and give the person notice at an address where the person is receiving mail. Mailing of the notice by certified mail, return receipt requested, postage prepaid, to the persons required to be notified by this subsection constitutes conclusive proof of compliance with this subsection.

(c) On receipt of a notice of intent to declare a manufactured home abandoned, the record owner of the home, a lienholder, ~~or~~ a tax assessor-collector for a taxing unit that imposes ad valorem taxes on the real property on which the home is located, or an intervening owner of a lien or equitable interest may enter the real property on which the home is located to remove the home. The real property owner must disclose to the record

owner, lienholder, ~~[or]~~ tax assessor-collector, or intervening owner seeking to remove the home the location of the home and grant the person reasonable access to the home. A person removing a home is responsible to the real property owner for any damage to the real property resulting from the removal of the home.

SECTION 11. Section 1201.219, Occupations Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) Except as provided by Subsection (a) and subject to Subsection (d), a lien on a manufactured home is perfected only by filing with the department the notice of lien on a form provided by the department. ~~[The form shall require the disclosure of the original dollar amount of the lien and, if a tax lien, the name and address of the person in whose name the manufactured home is listed on the tax roll.]~~ The department shall disclose on its website the date of each lien filing. A~~[, the original amount of the lien claimed by each filing, and the fact that the amount shown does not~~

~~include additional sums including interest, penalties, and attorney's fees. The statement required by Section 1201.205(7) is notice to all persons that the tax lien exists. Except as expressly provided by Chapter 32, Tax Code, a] lien recorded with the department has priority, according to the chronological order of recordation, over another lien or claim against the manufactured home [.~~ Tax liens shall be filed by the tax collector for any taxing unit having the power to tax the manufactured home. A single filing by a tax collector is a filing for all the taxing units for which the tax collector is empowered to collect].

(d) Except as provided by Subsection (a), a tax lien on a manufactured home is perfected only by filing with the department the notice of the tax lien on a form provided by the department in accordance with the requirements of Chapter 32, Tax Code. The form must require the disclosure of the original dollar amount of the tax lien and the name and address of the person in whose name the manufactured home is listed on the tax roll. The department shall

disclose on its Internet website the date of each tax lien filing, the original amount of the tax lien claimed by each filing, and the fact that the amount shown does not include additional sums, including interest, penalties, and attorney's fees. The statement required by Section 1201.205(7) is notice to all persons that the tax lien exists. A tax lien recorded with the department has priority over another lien or claim against the manufactured home. Tax liens shall be filed by the tax collector for any taxing unit having the power to tax the manufactured home. A single filing by a tax collector is a filing for all the taxing units for which the tax collector is empowered to collect.

SECTION 12. Section 1201.255(b), Occupations Code, is amended to read as follows:

(b) An installer may not install a used manufactured home at a location on a site that has evidence of ponding, runoff under heavy rains, or bare uncompacted soil unless the installer first obtains the owner's signature on a form promulgated by the board

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disclosing that such conditions may contribute to problems with the stabilization system for that manufactured home, including possible damage to that home, and the owner accepts that risk.

SECTION 13. Section 1201.358(c), Occupations Code, is amended to read as follows:

(c) The director may issue an order:

(1) directing a manufacturer, retailer, or installer whose license is not revoked, suspended, or subject to an administrative sanction under Section 1201.357(b) and who is not out of business to perform the warranty obligation of a manufacturer, retailer, or installer whose license is revoked, suspended, or subject to an administrative sanction under Section 1201.357(b) or who is out of business; and

(2) giving the manufacturer, retailer, or installer performing the obligation the right of indemnification against another party.

SECTION 14. Section 1201.404(a), Occupations Code, is amended

to read as follows:

(a) Except as otherwise provided by Subchapter C, the trust fund shall be paid directly to a consumer or, at the director's option, to a third party on behalf of a consumer [used] to compensate a consumer who sustains actual damages resulting from an unsatisfied claim against a licensed manufacturer, retailer, broker, or installer if the unsatisfied claim results from a violation of:

- (1) this chapter;
- (2) a rule adopted by the director;
- (3) the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.);
- (4) a rule or regulation of the United States Department of Housing and Urban Development; or
- (5) Subchapter E, Chapter 17, Business & Commerce Code.

SECTION 15. The following sections of the Occupations Code are repealed:

- (1) Section 1201.160;
- (2) Section 1201.2055(b); and
- (3) Section 1201.405(b).

SECTION 16. (a) Sections 1201.104(c) and (f), Occupations Code, as amended by this Act, apply only to a license application filed with the executive director of the manufactured housing division of the Texas Department of Housing and Community Affairs on or after the effective date of this Act. An application filed with the executive director of the manufactured housing division of the Texas Department of Housing and Community Affairs before the effective date of this Act is governed by the law in effect immediately before that date, and the former law is continued in effect for that purpose.

(b) Sections 1201.113(b) and 1201.116(a) and (c), Occupations Code, as amended by this Act, apply only to a license that is renewed on or after the effective date of this Act. A license that is renewed before the effective date of this Act is governed by the

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law in effect immediately before that date, and the former law is continued in effect for that purpose.

(c) Section 1201.206(g), Occupations Code, as amended by this Act, applies only to an application for a statement of ownership and location filed on or after the effective date of this Act. An application for a statement of ownership and location filed before the effective date of this Act is governed by the law in effect immediately before that date, and the former law is continued in effect for that purpose.

SECTION 17. This Act takes effect September 1, 2009.

H.B. No. 2238

President of the Senate

Speaker of the House

I certify that H.B. No. 2238 was passed by the House on April 9, 2009, by the following vote: Yeas 148, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2238 on May 8, 2009, by the following vote: Yeas 133, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2238 was passed by the Senate, with amendments, on May 5, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

H.B. No. 2238

Governor

Changes to the Texas Occupations Code

As a Result of
House Bill 2238, 81st Texas Legislature

I. What's New:

- a. Electronic processing of applications and licenses
- b. Director may waive fees in a disaster
- c. Licensing
 - i. 90 days to complete educational course for Salesperson
 - ii. Continuing Education may be provided online
 - iii. "Probationary" installer's license will now be referred to as "Provisional" installer's license
- d. SOL Processing
 - i. If MCO is not submitted send notice only to the lien holders for the *that particular home*
 - ii. Seller *or Tax assessor-collector* may file a statement that there are no taxes for the last 18 months on the home
 - iii. Assignments of liens may be changed on an SOL *without the owner's consent*
 - iv. When applying for an SOL of an abandoned home notice must also be provided to *any intervening lien holders*
- e. Installers are now liable for site preparation on *new homes*
- f. Warranty obligations may be re-assigned when the licensee is out of business, the license has *been suspended* or revoked, or *failed to comply with a warranty order*
- g. Home Owner's Recovery Trust Fund may reimburse the consumer *or a third party on the consumer's behalf*

II. What's Been Removed:

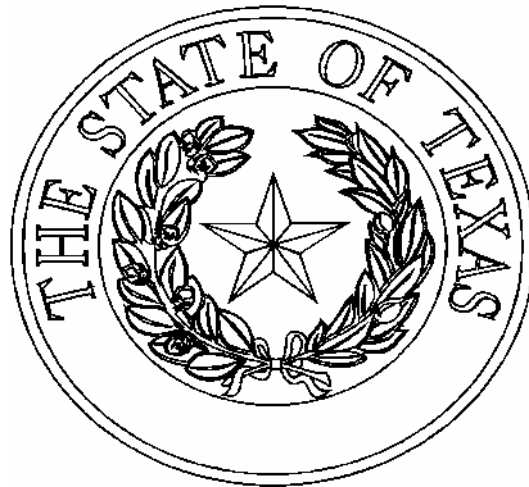
- a. Proof of insurance is no longer required for installers
- b. Signatures on SOL Applications no longer need to be notarized
- c. Attorney's Fees may no longer be claimed from the Home Owner's Recovery Trust Fund

Exhibit C

IV. Policymaking Structure

H. What information is regularly presented to your policymaking body to keep them informed of your agency's performance?

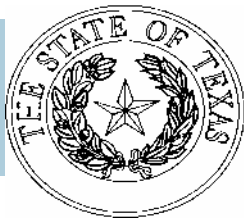
- TDHCA Manufactured Housing Division Executive Summary May 18, 2008 Board Meeting.
- TDHCA Manufactured Housing Division Executive Summary March 20, 2009 Board Meeting.
- TDHCA Manufactured Housing Division Executive Summary May 8, 2009 Board Meeting.
- TDHCA Manufactured Housing Division Executive Summary August 7, 2009 Board Meeting.



Executive Summary
Manufactured Housing Division
Board Meeting
May 18, 2008

Joe A. Garcia
Executive Director





TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION

Executive Summary

May 18, 2008 Board Meeting

Website Enhancements

Removed MH Clarification option as recommended by counsel.

Mayes

- Department is taking action against Palm Harbor for not completing work as assigned.

Licensing Education Class (LEC) and Outside Training

- Administered first exam in May 2008 (under new law)
 - 137 people
 - 3 ½ hours to complete
 - All passed (except for 1 who did not retake)
- Based on demand another LEC was scheduled for June 2008
 - Approximately 86 attended
 - Exam in progress

Synergy with TDHCA and other Agencies

- Invited Texas RioGrande Legal Aid, to attend the June LEC.
- Provided tax lien training to Dahlia Sanchez, Tax Assessor-Collector for San Patricio County, and her staff on May 15, 2008
- Provided tax lien training to the Tax Assessor-Collector's Association on June 11, 2008
- Continue to perform facility inspections for TDHCA for registered Migrant Labor Facilities in Texas.

Field

- Reducing travel to maintain travel budget.
- Inspectors are working in the offices and extra day per week, taking vacation, and assisting with identifying unlicensed activity by researching internet and local newspapers.

MH Board

Notification was received from the Governor's Office appointing Devora Mitchell of Kermit Texas, to the Manufactured Housing Board. Ms. Mitchell is the CEO/President of the Winkler County Credit Union. I'll be making contact with her soon.

Carlos Amaral has officially tendered his resignation to serve on the SFA Board of Regents.

General Information

Workload

Processing

- Used homes - 9 working days
- New homes - 4 working days
- Resubmitted Applications - 7 working days

Licensing

- We are processing licenses in 6 working days.
- Issued 2740 licenses YTD

HORTF

- There have been 100 claims to the HORTF totaling, \$305,480
- YTD (Sep-Jun) amount received/reimbursed - \$175,254

Consumer Protection/Enforcement

- FY07 - average complaint resolution time was 193 days
- FY08 - average complaint resolution time is 147 days YTD (May board meeting).
- FY08 – average complaint resolution time is 143 days.YTD (June board meeting)

Document Control

- SOLs on network in within 4 weeks
- Incomplete applications returned for completion on network in 2-3 business days from issuance of letter requesting additional information
- Research requests done in 1-5 business days

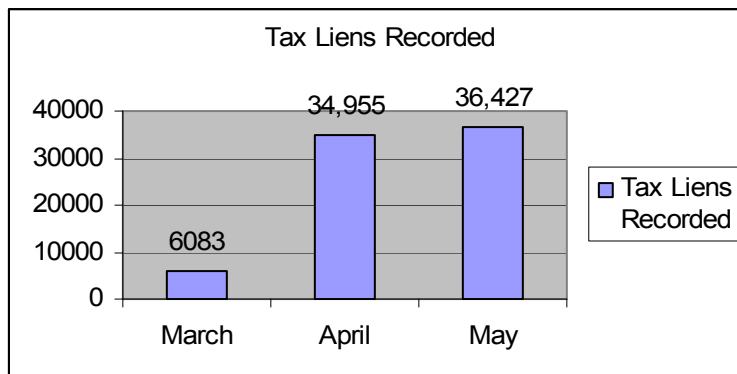
Unlicensed Activity Task Force (UATF)

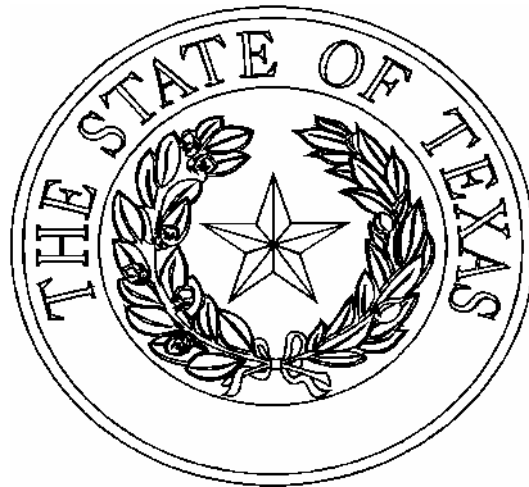
- Field inspectors are assisting with identifying unlicensed activity.
- Undercover sting operation coordinated with Montgomery County Sheriff's Office resulting in three arrests (proprietor and two salespersons).

New Rules

- Stakeholders meeting conducted on May 29, 2008. Gathered valuable input from the TMHA for drafting of proposed rules. Jackie King joined meeting.

Tax Liens Recorded





Executive Summary
Manufactured Housing Division
Board Meeting
March 20, 2009

Joe A. Garcia
Executive Director





TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION

Executive Summary

March 20, 2009 Board Meeting

Website Enhancements

Reorganized MHD web page to include slideshow of manufactured housing.

Enforcement

Held three Director's Disciplinary Meetings (DDM)

Jan	Action taken
Palm Harbor	Consent Order Completed - Assessed a \$6,000 penalty (\$4,000 probated), full corrective action, license placed on probation until July 21, 2010, and all retailer's employees must retake LEC
Action Homes	Notice of Violation Issued - Assessing a \$10,000 penalty, full restitution, and revocation of license.

Feb	Action taken
Southridge Enterprises	Consent Order Mailed - With agreement to pay \$6,300 restitution and the company's President must retake the LEC.

LEC and Outside Training

Licensing Education Class	Jan	Feb
Number of attendees:	54	76
Max time it took to complete:	4 hours	5 hours
Number of failed:	1	2
Number who passes w/retake:	1	2

Outside Training Conducted

1. ARC (Retailer) – SOL training
2. TLTA – (Title Association) SOL training for Houston chapter
3. Wells Fargo – (Lender) SOL training
4. Kevin Jewel, TX Low Income Housing Information Service – General MHD information and discussion over Federal Rules effective January 2009.

Support Services Unit

Support Services Unit has been expanded to three employees to better serve the needs of the industry, lienholders, title companies, and attorney's offices, both by phone and email.

Field

- The Houston office continues to assist in taking and logging Spanish calls.
- Since January 2009, 83 Retailers were monitored/audited ensuring that all disclosures and warranties were provided to the consumer.
- Since January 2009, 38 inspections conducted for TDHCA's Portfolio Management and Compliance (PMC) Division.
- Working with disaster relief through TDHCA programs ensuring that homes are installed properly.

	Jan	Feb	Findings
FEMA Installation Inspections:	15	25	Deviations found ranging from anchors not fully embedded into soil, no longitudinal straps installed, vertical (shearwall) ties not installed (mfg. instructions), no vapor barrier (FEMA instructed installers not to install).
Inspections of retailer's inventory damaged by Ike:	1	0	Retailer (Signature Homes in Vidor which suffered significant damages to new homes is being monitored on a regular basis (every two to three months) regarding the home structures and sales.

Synergy with TDHCA and other Agencies

- Continue to coordinate SOL applications and inspections for Disaster Relief, HOME, PMC, and Migrant Labor Housing Facility programs in TDHCA.
- Invited by Texas RioGrande Legal Aid, to participate on a panel for continuing education for attorneys.

Taxing Entities

Taxing entities are gearing up for the June 30 tax lien filing deadline and many have begun filling their tax liens already. In an effort to reduce the number of incomplete filings which cannot be recorded, a letter has been sent to the taxing entities with filing tips and guidelines (Exhibit A).

General Information

Workload

Processing

- Used homes – 11 working days
- New homes - 5 working days
- Resubmitted Applications - 10 working days

Licensing

- We are processing licenses in 3 working days.
- We have issued 962 licenses YTD

HORTF

FY 2009	Jan	Feb	Total
Claims paid:	\$ 11,019	\$ 5,976	\$ 16,995
Claims reimbursed:	\$ 21,946	\$ 5,614	\$ 27,561

Consumer Protection/Enforcement

- FY07 - average complaint resolution time was 193 days
- FY08 - average complaint resolution time is 147 days
- FY09 – average complaint resolution time is 160.2 due to a position vacancy.

Customer Service/Support Services – Calls received

	Dec	Jan	Feb
Calls received	10,399	20,091	18,394

Document Control

- SOLs on network in 4 - 5 weeks from the date they're issued.
- RAI's on network in 2-3 business days from issuance
- Research requests done in 1-5 business days

Unlicensed Activity Task Forces (UATF)

Since January, 15 cases of illegal activity have been reported and are being investigated.

Federal Issues

Installation Certification Program still pending review and approval from HUD.



Featured Employees

Kristina Loera

Team Leader, Office of Consumer Protection



Kristina started working for the division in March 1998, as a temporary employee and was hired as a permanent employee by October. For the next five years or so, Kristina worked in the

Customer Service Unit then was promoted to a senior position in the Titling Unit, handling priority processing.

In 2005, Kristina was promoted to an Investigator in the Consumer Protection Unit, and a year later, she accepted the position of Licensing Coordinator, overseeing the Licensing Unit and coordinating the activities of the Licensing Education Class. In 2008, Kristina was promoted, to Lead Investigator, where

she also serves as a Team Leader over the Investigators and Licensing staff.

When asked what she thinks of her job, Kristina responded, "Over the last eleven years, I have enjoyed working for the Department and the people that we serve. I look forward to expanding my knowledge and continuing to grow professionally with the Department."

Kristina is a native Austinite, and has an 8 year old son, Elijah

Janice Babbitt

Senior Analyst, Processing Unit

Janice began working with the Manufactured Housing Division in 1983, processing titles. Over the span of her tenure, Janice has also worked in the Customer Service Unit, where she was eventually promoted to a Senior Customer Service Representative. As a senior staff member, Janice later accepted a transfer back in to the Titling Unit, as a Senior Tiling Analyst, assisting in training and

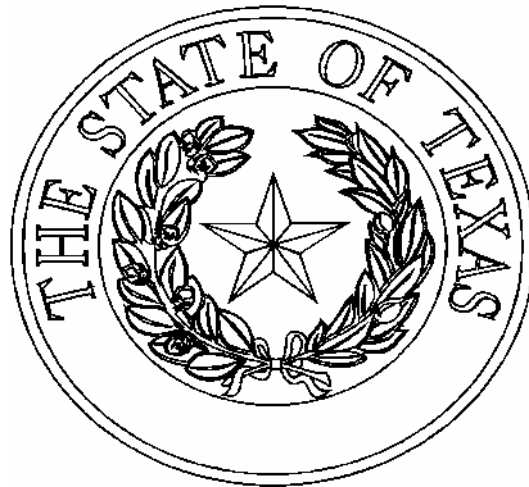
leading a team of Analysts. After a small reorganization, Janice became an assistant for the Division's Engineer. After he retired, Janice returned to her roots and rejoined the Titling Section, where she works today as a Senior Processing Analyst.

Janice was born and raised in Georgetown, Texas. She and her family are dedicated Texas A & M fans and they enjoy attending



the games regularly.

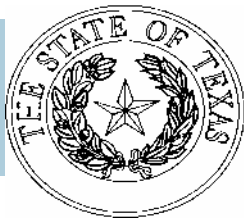
Janice is happily married with two grown daughters.



Executive Summary
Manufactured Housing Division
Board Meeting
May 8, 2009

Joe A. Garcia
Executive Director





TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION

Executive Summary
May 08, 2009 Board Meeting

ACCOMPLISHMENTS

Website Enhancements

- Adding a slide show of manufactured homes to the main page.
- New Database
 - Development of the Licensing module is almost complete and the testing will begin in June 2009.
 - Development of the Statements of Ownership and Location module is in progress (about 10% complete).
 - A part-time Programmer hired to assist other two contracted programmers
 - Scheduled to go live by September 1, 2009.

Enforcement

- Former MHD licensee, Kandace Marriott, was sentenced to 99 years in prison for mortgage fraud. MHD worked closely with the Police and Federal Agents to assist in this case (see attached article).
- Former MHD licensee, Keith Raybon, pled guilty to one count of conspiracy to commit wire fraud affecting a financial institution. He faces a maximum of five years in prison and a \$250,000 fine.
- The MHD revoked the license of a licensee who failed/refused to comply with a warranty order. The Enforcement Division selected staff to visit the location and ensure that it was not in operation and conducted an audit of the inventory and record, and advised the Salespersons that their licenses were suspended until they could be sponsored by another licensed retailer.
- As a result of sting conducted by the MHD, Ronald Lee pled guilty to one count of working without a salesperson's license. Sentenced to two days in jail, \$300 fine, court costs.
- MHD is currently working with police detectives regarding an investigation involving the falsification of a government record (specifically, a salesperson's license that was altered to commit fraud).
- MHD is currently working with the Texas Attorney General on a manufactured housing related Deceptive Trade Practice case.
- MHD is currently working with the FBI on a manufactured housing related fraud case.

LEC and Outside Training

No LEC activity in March and April.

Synergy with TDHCA and other Agencies

- Continue to coordinate SOL applications and inspections for Disaster Relief and HOME programs in TDHCA.
- Texas Land Title Association Conference for South Texas – Conducted a presentation on recording ownership of a manufactured home and conversions to real property.

Support Services Unit

Support Services Unit continues to maintain a holding time of less that 10 minutes, and receive outstanding reviews.

Field

- Working with disaster relief through TDHCA ensuring that homes are installed properly.
- Assists in serving our Spanish speaking customers.

General Information

Workload

Processing

- Used homes - 10 working days
- New homes - 4 working days
- Resubmitted Applications - 7 working days

Licensing

Processing time is only 2 - 3 working days for the date received.

HORTF

FY 2009	Mar	Apr	Total
Claims paid:	\$ 40,701	\$ 5,539	\$ 46,240
Claims reimbursed:	\$ 5,622	\$ 5,318	\$ 10,940

Consumer Protection/Enforcement

- FY07 - average complaint resolution time was 193 days
- FY08 - average complaint resolution time is 147 days, averaging of 46 days sooner.
- FY09 – average complaint resolution time is 160 days

Customer Service/Support Service Unit

	Customer Service Calls			
FY 2009	English	Spanish	Support Service Calls	Total
March	18,649	352	2634	21,635
April	13,824	310	2439	16,573

Walk In Customers	JAN	FEB	MAR	APR
	739	553	642	491

Document Control

- SOLs are scanned and placed on network in about 4 weeks from the date they're issued.
- Incomplete applications returned for completion are scanned on the network in 2-3 business days from the date the Request for Additional Information (RAI) is issued.
- Research requests done in 1-5 business days

HUD Related Information

In August 2008, the Manufactured Housing Division submitted a request to the Department of Housing and Urban Development (HUD), to enforce a state developed installation program instead of the one imposed nationwide by HUD. To qualify for this request, the MHD had to demonstrate that the state installation program met or exceeded that of HUD. After almost nine months, HUD has approved the Texas State Installation Program, enforced by the MHD, for the next five years. Through this exclusive approval, manufactured homes can be installed to installation standards which are unique to the climate and soil conditions of the State. This approval was effective April 28, 2009, and will need to be recertified in 2014.

Field

- Consumer complaints - All performed within 30 days
- Red Zone Cases - Approximately 5 pending resolution
- Installations - Performing about 35% of reported installations
- PMC - 94 site inspections completed
- Migrant Labor – 5 site inspections completed.

FEMA

Completed 256 FEMA installation inspections

Legislative Information

House Bill 2238 (Hamilton) –HB 2238 passed both the House and Senate, and is in the final stages before arriving to the Governor's desk. There were two correcting changes to the language of the bill in the Senate; therefore, the bill now must go back to the House for the bill sponsor, Representative Hamilton, to concur with Senate amendments. Once the House concurs, HB 2238 is off to await the Governor's signature.

Opportunity for MHD

As a result of the stimulus package, TDHCA was exploring multiple options to house the many staff members who will soon be hired to manage the programs being implemented, as our current building is at maximum capacity. In doing so, a building was found that could prove to be ideal for the operations and services of MHD. TDHCA Executive Director, Mike Gerber, asked if we would ever consider relocating since we operated independently from TDHCA and the prospect has been investigated more thoroughly. Relocating the MHD appears to be beneficial to the MHD, TDHCA, and to the consumers we serve. This prospect will be posted for consideration and approval at the next board meeting.



Featured Employees

Cheryl Hearne

Team Leader, Processing Unit



Cheryl Hearne works in the Processing Unit of the Division, which is where ownership and liens are recorded on manufactured homes. Cheryl began at an entry level position in 1985 and is now one of two Team Leaders in the Processing Unit. Her responsibilities include overseeing and assigning the work, as well as providing

guidance and training to employees and temporaries. Cheryl plays an important role in the oversight of the unit, ensuring that statutory timelines are met.

Cheryl has been married for 30 years and has a 7 year old daughter.

Isabel Cavazos

Processing Analyst, Processing Unit

Isabel Cavazos, known as "Ysa" has worked for the State for 13 years. Currently, she is a Processing Analyst in the Processing Unit and is primarily responsible for handling the applications for ownership recordation which are electronically resubmitted to the Department after having been returned for additional

information. Additionally, Ysa plays a vital role in the success of the Division, by assisting many Spanish speaking customers.

Ysa is a proud mother of five grown children, and three grandchildren.



Ebony Cleveland

Processing Analyst, Processing Unit



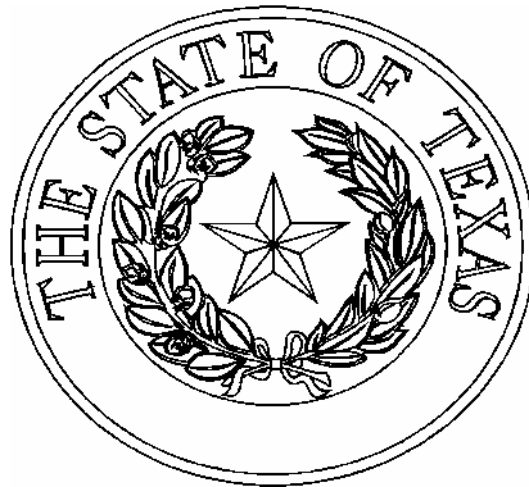
Ebony Cleveland was born in San Antonio, but grew up in Austin.

She has worked for the State for 1 1/2 years as a Processing Analyst in the Processing Unit.

Ebony's primary responsibility is to review and process applications submitted for ownership recordation, ensuring that all legal requirements have been

met. Ebony provides customer service through her interaction with applicants and has set a long term goal to expand her knowledge and continue growing professionally with the Division.

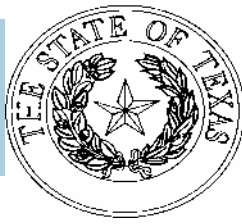
Ebony is the proud mother of a two-year old son.



Executive Summary
Manufactured Housing Division
Board Meeting
August 7, 2009

Joe A. Garcia
Executive Director





TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION

Executive Summary
August 7, 2009 Board Meeting

ACTIVITY/ACCOMPLISHMENTS

New Database

- Completed testing on Licensing and Cash Receipts components.
- Will complete testing on Processing (Titling) component this month.
- Scheduled to go live by September 1, 2009.

Enforcement

- Big John's Mobile Home Transport, LLC - Respondent's license was suspended (and simultaneously probated for a period of two years upon signing the Consent Order), Respondent was fined \$10,000.00 in Administrative Penalty (of which \$3,000.00 will be due within 30 days of signing the Consent Order, and if Respondent has no violations while on probation, the remaining \$7,000.00 will be forgiven, the Department will inspect the next ten (10) installations that Respondent performs, John Raymond (sole proprietor) will formally verify in writing that all warranty work has been completed while Respondent is on probation, and Respondent will make appropriate corrective action on the homes involved in Case Numbers: 9-146, 9-378, 9-453
- Al/Tex Homes Inc. - Inspection held July 7, 2009; Manufacturer is completing service work; they have a deadline of July 31st.
- Fleetwood Homes of Texas- Inspection was done July 10, 2008; the Manufacturer has completed the work. We are waiting for the signed consent order and penalty.

LEC and Outside Training

Licensing Education Class	June	July
Number of attendees:	36	N/A
Max time it took to complete:	2.5 hours	N/A
Number of failed:	0	N/A
Number who passes w/retake:	N/A	N/A

Synergy with other Agencies/Companies/Organizations

- Provided tax lien filing training to the Tax Association of Assessing Officers.
- Provided training to Texas Country Title on converting manufactured homes to real property.
- Provided training to Barrett Daffin Frappier Turner & Engel Law Firm on converting manufactured homes to real property.
- Provided training to Brice, Vander Linden & Wernick, P. C. Law Firm on converting manufactured homes to real property.
- Met with State Representative Jose Menendez's Chief of Staff and provided a general overview of the Manufactured Housing Division and its role.
- Met with State Representative Drew Darby and provided a general overview of the Manufactured Housing Division and its role, to him and the local Associate of Realtors.

Preparation for the Move

- To reduce the quantity of hard copy documents to transport and maintain in the new building we have implemented a major scanning effort resulting in the following results:
 - Scanned approximately 6000 license holder files with only 1200 remaining to be scanned by the end of August.
 - Scanned approximately 5500 documents held in cabinets, including correspondence, monthly reports, performance measures, Inventory Finance Forms, and documentation of attendees of the Licensing Education Class.
 - Will complete the scanning of approximately 850 consumer complaint files by the end of August.

Field

- Continues to assist in serving our Spanish speaking customers.
- Has completed a pilot project implemented to compare the travel costs with use of a rental car versus a personally owned vehicle (POV). The comparison revealed an average cost savings of about 35% when using rental cars instead of POVs. A procedure changes was adopted to utilize rentals except under approved circumstances.

General Information

Workload

Processing

- Used homes - 10 working days
- New homes - 4 working days
- Resubmitted Applications - 7 working days

Licensing

Processing time is only 2 - 3 working days for the date received.

General Information

Workload (continued)

Homeowner's Recovery Trust Fund

FY 2009	JUN	JUL	Total
Claims paid:	\$37,348	\$ 6,955	\$ 44,303
Claims reimbursed:	\$30,884	\$ 21,144	\$ 52,028

Consumer Protection/Enforcement

- FY09 – average complaint resolution time is 155 days (Performance Measure require 180)

Customer Service/Support Service Unit

	Customer Service Calls		Support Service Calls	
FY 2009	English	Spanish		Total
JUN	11,375	388	1984	13,747
JUL	9606	364	1996	11,966

Month	#Walk In Customers s
JUN	574
JUL	604

Document Control

- SOLs are scanned and placed on network in about 4 weeks from the date they're issued.
- Incomplete applications returned for completion are scanned on the network in 2-3 business days from the date the Request for Additional Information (RAI) is issued.
- Research requests done in 1-5 business days

Tax Liens/Releases

- June was the annual deadline to record all 2008 tax liens.
- Historically, the number of tax liens received shuts down the titling process for 2 – 5 working days.
- This year **the down time was only one day**, which was attributed to:
 - Staff working overtime and planning the anticipated workload effectively.
 - The statutory requirement that all ownership applications include confirmation that all taxes have been paid has reduced the number of tax liens filed.
 - More taxes are being filed electronically.

General Information

Workload (continued)

Tax Liens/Releases

MANUAL FILINGS	JUN	JUL
Number of tax liens manually entered .	5,297	2345
Number of tax liens manually released .	14,502	10,196
Number of tax liens electronically entered	193,016	2189
Number of tax liens electronically released	16,316	82
Number of liens rejected	682	767
Number of misdirected mail.	10	8
Number of duplicates.	383	815

Field – Migrant Labor Facilities

- Migrant Labor – 12 site inspections completed.

FEMA/TDHCA Housing Initiative Activity

Completed 9 installation inspections in Sabine Pass

Legislative Information

All employees have received a complete overview of House Bill 2238 in preparation for its implementation.

Sunset Information

All Managers have been briefed on the Sunset Review process and have provided Amy with pertinent information of their program areas. Sunset Review Self-Evaluation form to be submitted by September 1, 2009.

2010 Goals

- Increase the level of educational tools available on the website.
- Improve the public awareness of the ownership and lien recordation process in hopes of decreasing the number of incomplete applications received which require handling multiple times.
- Improve the knowledge and skill set of the staff, reducing inconsistencies in information provided by phone and in the processing of the Applications for Statement of Ownership and Location.
- Rewrite the Administrative Rules.
- Discover ways to reduce expenditures.
- Successfully implement the new database
- Conduct quarterly management meetings.
- Increase the number of customers assisted by phone.
- Maintain paperless environment.
- Improve the administration of the Licensing Education Class.

- Through effective implementation of the new database, and public training, establish a working environment which does not require the staff to work overtime so often, and which enables them to take time off.
- Reduce the complaint resolution average.



Featured Employees

Harold White

Tax Lien Analyst, Federal Standards & Tax Lien Unit



Harold was born and raised in Philadelphia, PA. His military family traveled to different states and eventually settled in Wichita Falls, Texas.

As an adult, Harold raised his three children and eventually relocated to Dallas, then to Austin where he worked for Capitol Network, MCI Telecommunications, Texas Property Tax Board, and finally with the MHD as a temporary. After six months, Harold was hired as a Technician

in the File Room, and eventually accepted various positions including Titing Analyst, Customer Service Representative, and most recently, Tax Lien Analyst. Harold says, "I enjoy every moment in this Division. The reason I have been able to achieve the growth in this agency is because of the great leadership from the staff I work with."

James Oliva

Assistant Manager, Processing Unit

James Oliva is currently the Assistant Manager of the Processing Unit. He oversees all activity involving the processing of applications for statement of ownership and location.

Having worked in the mortgage industry for 24 years, James brings a wealth of knowledge and experience to the Division.

In addition to his management responsibilities, James is developing a newly formed team of staff who will handle all manufactured home issues involving real property. We look forward to the improvements to our efficiency and in the level of customer service that will be provided.



Lynn Brandstetter

Investigator, Consumer Protection



Lynn was born and raised in British Columbia, Canada. In the 1980's, Lynn's family moved to South Texas to operate their family business. As a young adult, Lynn moved to Austin and attended Austin Community College. She is happily married and lives in Hutto, Texas, where she is raising her family.

In her spare time, Lynn enjoys outdoor activities and spending time with her two grandsons. Additionally, Lynn enjoys writing

poetry. Lynn serves as Co-Chair and Volunteer Coordinator, on the Executive Board of the Austin International Poetry Festival.

Lynn started working with the Division in 2000, has worked in several program areas, and currently is an Investigator in the Office of Consumer Protection. When asked what she likes most about her job she replied, "My job is challenging as well as rewarding. The feeling I get at the end of each day, knowing I made a difference in someone's life, is priceless."

Exhibit D V. Funding

G. If applicable provide detailed information on fees collected by your agency.

Number of Licenses Issued by Type and Fee per Type for FY 2008.

Information for Sunset Review (V. Funding, G. Exhibit 9: Fee Revenue)

FY 2008 (09/01/07 thru 08/31/08)

of Licenses Issued by TYPE and Fee Per TYPE

TYPE	Sep-07	Oct-07	Nov-07	Dec-07	FEE Prior to Jan-08 (HB 1460)	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	TOTAL	FEE (after 01/01/08)
Broker (B)	0	1	0	2	\$175.00	0	0	2	0	1	1	1	0	8	\$350.00
Installer (I)	19	21	14	23	\$175.00	12	17	13	29	10	17	30	19	224	\$350.00
Manufacturer (M)	2	5	1	3	\$425.00	3	0	7	6	7	2	6	4	46	\$850.00
Retailer (R)	12	4	17	10	\$275.00	4	13	16	17	8	9	16	15	141	\$550.00
Ret/Brk (RB)	5	4	9	9	\$450.00	4	15	6	12	17	4	7	8	100	\$900.00
Ret/Brk/Inst (RBI)	45	52	33	41	\$625.00	9	67	100	52	129	40	51	48	667	\$1,250.00
Ret/Inst (RI)	8	9	7	9	\$450.00	7	10	12	17	13	10	11	14	127	\$900.00
Salesperson (S)	84	131	99	96	\$200.00	107	105	135	208	134	104	162	134	1499	\$200.00
Rebuilder	0	0		0	\$275.00	0	0	0	0	0	0	0	0	0	\$550.00
TOTAL	175	227	180	193		146	227	291	341	319	187	284	242	2812	

Exhibit E VI. Organization

- A. Provide an organizational chart that includes major programs and decisions, and shows the number of FTEs in each program or division.**

TDHCA Manufactured Housing Division Organizational Chart.

Manufactured Housing Division

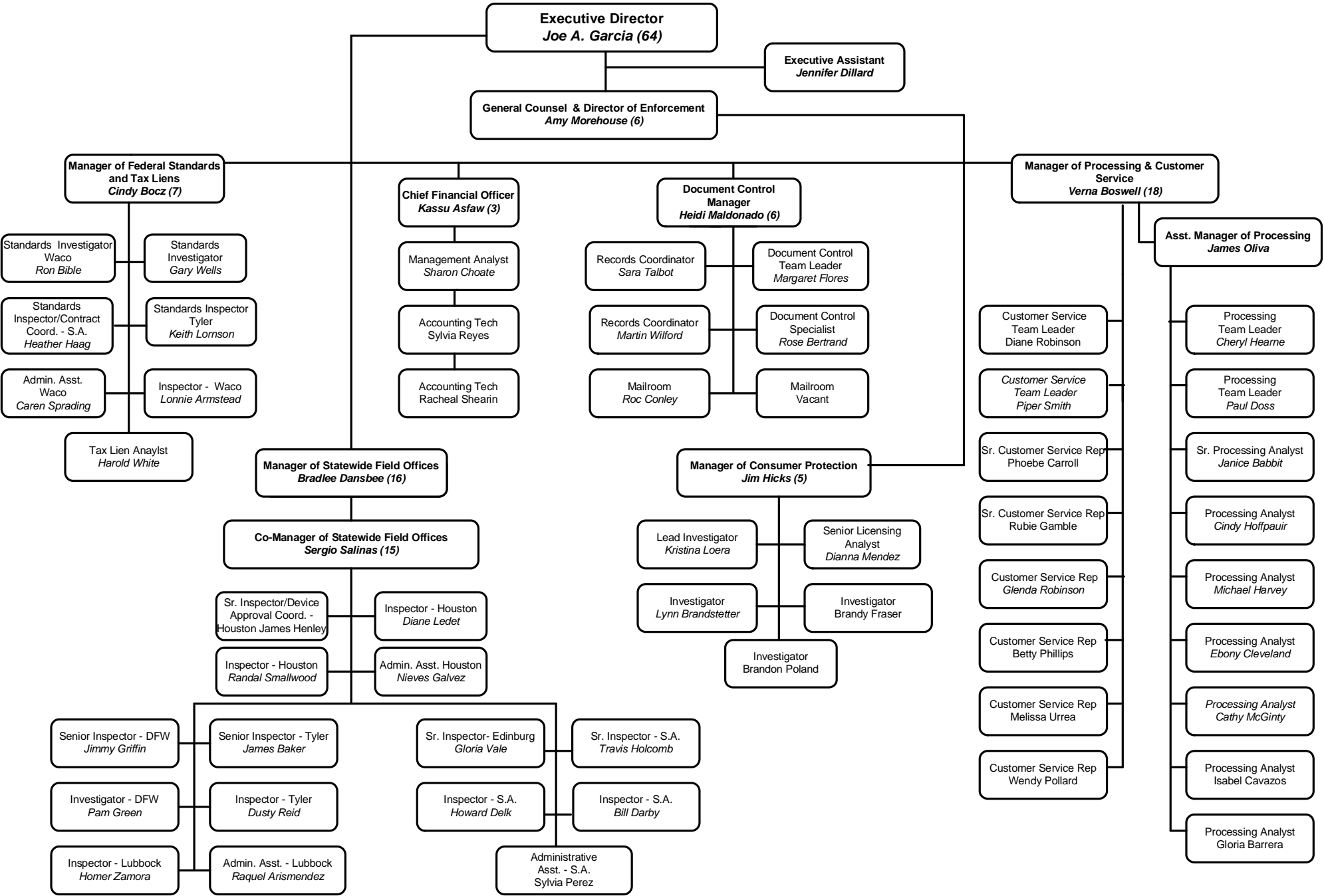


Exhibit F

VII. Guide to Agency Programs

- F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures.**

Operating Statistics FY 2009.

FY 2009 Operating Statistics

Licensing	Quarter 1			QTR1	Quarter 2			QTR2	Quarter 3			QTR3	Quarter 4			QTR4	Y-T-D
	Sep-08	Oct-08	Nov-08	TOTALS	Dec-08	Jan-09	Feb-09	TOTALS	Mar-09	Apr-09	May-09	TOTALS	Jun-09	Jul-09	Aug-09	TOTALS	TOTAL
% Proc in established time frame	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applications Received	308	270	186	764	181	149	118	448	167	143	800	1110	110	184	0	294	2616
Total Licenses Issued:	258	211	140	609	145	113	95	353	140	114	777	1031	84	134	0	218	2211
Brokers	1	0	0	1	2	2	0	4	0	1	1	2	1	0		1	8
Installers	31	17	13	61	26	17	9	52	8	3	21	32	4	2		6	151
Manufacturers	5	6	4	15	2	3	3	8	0	0	0	0	1	0		1	24
Retailers (R)	25	10	10	45	7	7	4	18	6	2	10	18	3	3		6	87
Retailers / Broker (RB)	13	8	4	25	7	2	1	10	3	1	11	15	2	2		4	54
Retailers/Broker/Installer (RBI)	41	43	28	112	27	19	4	50	8	10	60	78	11	9		20	260
Retailers/Installer (RI)	13	10	5	28	9	5	4	18	0	1	14	15	2	1		3	64
Salespersons	129	117	76	322	65	58	70	193	115	96	660	871	60	117		177	1563
Salvage Rebuilders	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Total RAI's Issued:	50	59	46	155	36	36	23	95	27	29	23	79	26	50	0	76	405
Branch Location	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Brokers	0	0	1	1	1	0	0	1	0	0	0	0	0	0		0	2
Installers	8	12	10	30	8	5	1	14	4	1	1	6	3	2		5	55
Manufacturers	0	4	0	4	2	1	0	3	0	0	0	0	0	0		0	7
Retailers	17	18	15	50	15	16	4	35	6	8	6	20	7	8		15	120
Salvage Rebuilders	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Salespersons	25	25	20	70	10	14	18	42	17	20	16	53	16	40		56	221
% Returned				20.29%				21.21%				7.12%				25.85%	15.48%
% SP Returned	8.12%	9.26%	10.75%	9.16%	5.52%	9.40%	15.25%	9.38%	10.18%	13.99%	2.00%	4.77%	14.55%	21.74%	#DIV/0!	19.05%	8.45%
% MRBI Returned	8.12%	12.59%	13.98%	11.13%	14.36%	14.77%	4.24%	11.83%	5.99%	6.29%	0.88%	2.34%	9.09%	5.43%	#DIV/0!	6.80%	7.03%
Licensing Educ. Class Fees				0				0				0				0	0
Licensing Educ. Class Attendees				0				0				0				0	0
Processing	Quarter 1			QTR1	Quarter 2			QTR2	Quarter 3			QTR3	Quarter 4			QTR4	Y-T-D
	Sep-08	Oct-08	Nov-08	TOTALS	Dec-08	Jan-09	Feb-09	TOTALS	Mar-09	Apr-09	May-09	TOTALS	Jun-09	Jul-09	Aug-09	TOTALS	TOTAL
% Processing w/in est. timeframe	40%	20%	40%	33%	68%	80%	56%	68%	64%	84%	96%	81%	96%	100%		98%	33%
Applications Received	8666	7540	7186	23392	8552	7005	8010	23567	10604	9280	8322	28206	8919	8670	0	17589	92754
% Applications Rtrnd (RAI's Issued)	45.90%	39.06%	30.07%	38.83%	39.70%	35.33%	30.34%	35.22%	36.80%	38.37%	40.45%	38.39%	44.64%	34.86%	#DIV/0!	39.81%	37.97%
Applications Rtrnd (RAI's Issued)	3978	2945	2161	9084	3395	2475	2430	8300	3902	3561	3366	10829	3981	3022		7003	35216
Total Titles Issued	4688	4595	5025	14308	5157	4530	5580	15267	6702	5719	4956	17377	4938	5648		10586	57538
Seals Issued (SEAL)	81	102	93	276	88	76	91	255	109	80	99	288	145	95		240	1059
Tax Lien Releases Received:				0				0				0				0	0
Tax Lien Releases Recorded				0				0				0				0	0
Tax Lien Releases Rejected				0				0				0				0	0
Total Mortgage Liens Entered	966	1084	1101	3151	1106	893	857	2856	1563	1180	954	3697	915	897		1812	11516
Number of Title Records in System	710,357	713,269	716,307		714,013	716,441	716,706		716,272	718,405	718,253		718,534	719,036		1,437,570	
Customer Service	Quarter 1			QTR1	Quarter 2			QTR2	Quarter 3			QTR3	Quarter 4			QTR4	Y-T-D
	Sep-08	Oct-08	Nov-08	TOTALS	Dec-08	Jan-09	Feb-09	TOTALS	Mar-09	Apr-09	May-09	TOTALS	Jun-09	Jul-09	Aug-09	TOTALS	TOTAL
Total Number of Calls Received	16754	24089	15558	56401	10399	20091	18394	48884	18649	16263	13671	48583	13359	11602		87215	241083
Total Number of Calls Taken	3751	5037	3428	12216	2884	5114	3583	11581	3869	4179	3970	12018	4336	5080		25404	61219
Average Call Answer Rate	22.39%	20.91%	22.03%	21.66%	27.73%	25.45%	19.48%	23.69%	20.75%	30.63%	29.04%	24.74%	32.46%	43.79%	#DIV/0!	29.13%	25.39%
Total Number of Packets Mailed Out	364	294	292	950	340	382	428	1150	480	523	450	1453	429	506		935	4488
Total Number of Walk-in Customers						739	553	1292	642	491	539		574	604			
Total Number of Spanish Calls Returned											183		388	364			
Total Number of Deeds Recorded											1218		1009	1122			
Total Number of Emails Response											1072		1338	1180			

* Changed method for counting applications received in Jun '06. Formerly, they were counted manually, and multiple transactions on one home were not counted. Now the # of titles and RAIs issued are combined for the total applications received.

Exhibit G

VII. Guide to Agency Programs

- F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures.**

Processing Unit Flow Chart.

MAIL ROOM

FINAL DOCUMENTS
DEPT.

Processing Unit
8,408 avg mthly application submissions
65,200 issued SOL's annually

Application Sorted By Type
Personal / Real Property
New, Used, Resubmits
8,408 monthly average

Real Property Division
2 Processors
Newly Created 7/09

Personal Property Division
4 Processors

Assigned and Previewed
65 application(s) daily

Completed Application(s)
Issue SOL's

Processor
RAI Response(s) via Email

Assigned and Previewed
65 application(s) daily

Completed Application(s)
Issue SOL's

Processor
Generates RAI Letters

Incomplete Application(s)
Contact Title Companies, Lender's
and/or Attorney's
To Resolve Pending Issues

Incomplete Application(s)
Determine RAI Reason Code(s)
Submit to Processor to general
RAI Letter(s)

Generate Request for Additional
Information Letters
(RAI's)

Handle Quality Control
Correction(s)

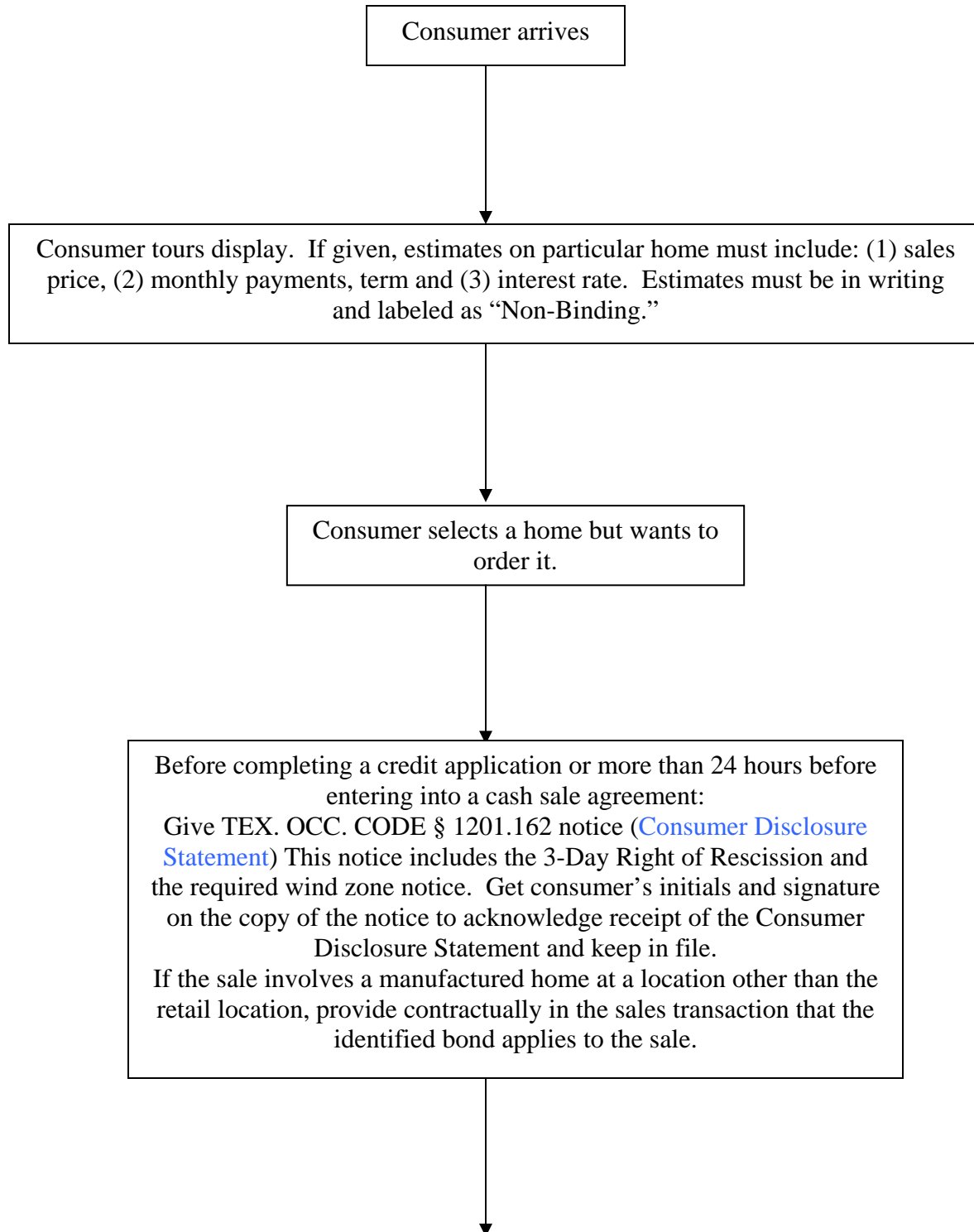
Exhibit H,1

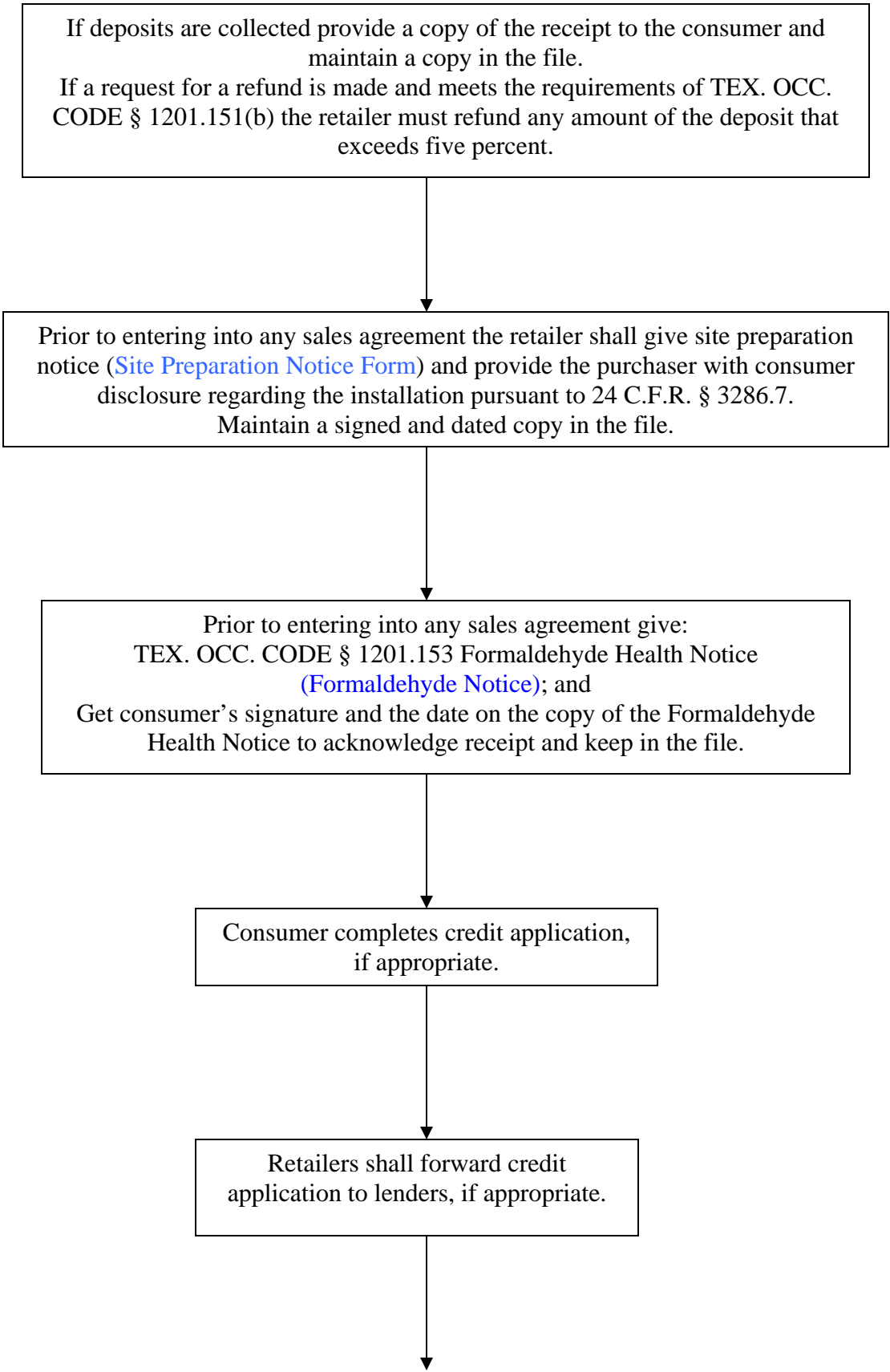
VII. Guide to Agency Programs

- F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures.**

Flow Chart for Special Order Home Sales.

FLOW CHART FOR SPECIAL ORDER HOME SALES





When applicable, ensure the Third Party Closer Form is completed and sent to lender or appropriate third party. ([Instructions to Third Party Closer](#)) Maintain a signed and dated copy in the file.

- 1) Over 24 hours after notice is given pursuant to TEX. OCC. CODE § 1201.162, the retailer provides consumer with the retailer signed contract and the Lender's Loan Commitment Letter if applicable;
- 2) Give customer a copy of:
 - i.) the manufacturer's warranty pursuant to TEX. OCC. CODE § 1201.351;
 - ii.) the retailer's warranty pursuant to TEX. OCC. CODE § 1201.352;
 - iii.) the warranties given by the manufacturers of appliances or equipment included with the home;
 - a) If A/C is installed, provide notice of air conditioning installation as provided on the installation checklist. ([Installation Checklist](#))

Wait 24 hours.

After 24 hours, consumer may accept retailer's offer.
After 72 hours without consumer acceptance, retailer may withdraw offer.

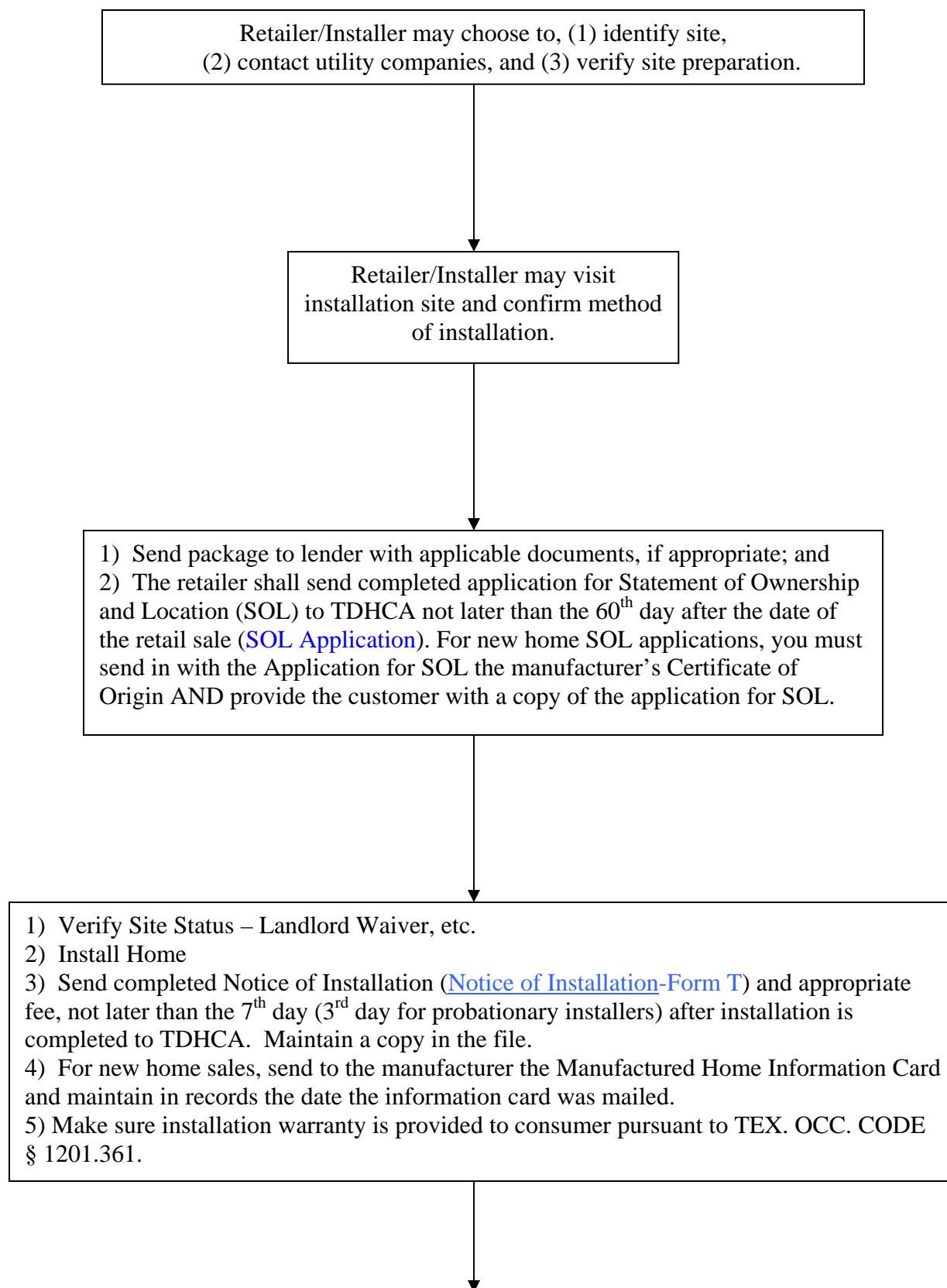
Once loan conditions are met, consumer signs purchase agreement.
At this point any deposit that has been collected becomes a down payment on the manufactured home.

Pursuant to 24 C.F.R. § 3288.5, at the time of signing a contract for sale or lease for a manufactured home, the retailer must provide the purchaser with a retailer notice. This notice may be in a separate document from the sales contract or may be incorporated clearly in a separate section on consumer dispute resolution information at the top of the sales contract.

The notice must include the following language: "The U.S. Department of Housing and Urban Development (HUD) Manufactured Home Dispute Resolution Program is available to resolve disputes among manufacturers, retailers, or installers concerning defects in manufactured homes. Many states also have a consumer assistance or dispute resolution program. For additional information about these programs, see sections titled "Dispute Resolution Process" and "Additional Information- HUD Manufactured Home Dispute Resolution Program" in the Consumer Manual required to be provided to the purchaser. These programs are not warranty programs and do not replace the manufacturer's, or any other person's, warranty program."

Place order for home with factory.

Consumer 3-Day Right of Rescission begins. If lending terms have changed from those shown on commitment letter, a new 24-hour cooling off period is required before completing the final close and a new 3-Day Right of Rescission begins after the closing.



If the new home underwent any alterations, maintain in records a complete list of all alterations with DAPIA approval.



Complete final closing, check file to verify completion of all forms and disclosures required by 10 TEX. ADMIN. CODE § 80.32 and any other documents required by lender. The file for each sale shall contain a completed Retail Monitoring Checklist on the prescribed form, together with copies of all completed, executed, and signed applicable documents for 6 years in a Texas location. ([Retail Monitoring Checklist](#))

Exhibit H,2

VII. Guide to Agency Programs

- F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures.**

Flow Chart for Used Retail Home Sales.

FLOW CHART FOR USED RETAIL HOME SALES

Used home must have seal or label attached.
In accordance with TEX. OCC. CODE § 1201.206(c), not later than the 60th day after each subsequent sale or transfer, the seller or transferor shall provide to the Department a completed application for the issuance of a new statement of ownership and location. The sale of a used manufactured home should not be pursued without proper title.

If Cash Sale

Consumer arrives.

Consumer tours display. If given, estimates on particular home must include the sales price. Estimates must be in writing and labeled as "Non-Binding."

Give TEX. OCC. CODE § 1201.162 Disclosure by Retailer and Lender Notice ([Consumer Disclosure Statement](#)). This notice includes the 3-Day Right of Rescission and the required wind zone notice. Get consumer's initials and signature on the copy of the notice and keep in the file.
If the sale involves a manufactured home at a location other than the retail location, provide contractually in the sales transaction that the identified bond applies to the sale.

If Installment Sale

Consumer arrives.

Consumer tours display. If given, estimates on particular home must include: (1) sales price, (2) terms of monthly payments, and (3) interest rate. Estimates must be in writing and labeled as "Non-Binding."

Give TEX. OCC. CODE § 1201.162 Disclosure by Retailer and Lender Notice ([Consumer Disclosure Statement](#)). This notice includes the 3-Day Right of Rescission and the required wind zone notice. Get consumer's initials and signature on the copy of the notice and keep in the file.
If the sale involves a manufactured home at a location other than the retail location, provide contractually in the sales transaction that the identified bond applies to the sale.

If refundable deposits are collected provide a copy of the receipt to the consumer and maintain a copy in the file.

Prior to entering into any sales agreement the retailer shall give site preparation notice ([Site Preparation Notice Form](#)) and provide the purchaser with consumer disclosure regarding the installation pursuant to 24 C.F.R. § 3286.7.

Prior to entering into any sales agreement give: TEX. OCC. CODE § 1201.153 Formaldehyde Health Notice ([Formaldehyde Notice](#)); and Get consumer's signature and the date on the copy of the Formaldehyde Health Notice to acknowledge receipt and keep in file.

1) Over 24 hours after notice is given pursuant to TEX. OCC. CODE § 1201.162, the retailer provides consumer with the retailer signed contract;
2) If applicable, fill out Retailer/Broker Disclosure Statement ([Broker Disclosure Form](#)); and
3) Give Written Disclosure and Warranty of Habitability ([Warranty and Disclosure for a Used Manufactured Home](#)).

Wait 24 hours.

Retailer/Installer may visit installation site and confirm method of installation, if installation is included in the sale.

If refundable deposits are collected provide a copy of the receipt to the consumer and maintain a copy in the file.

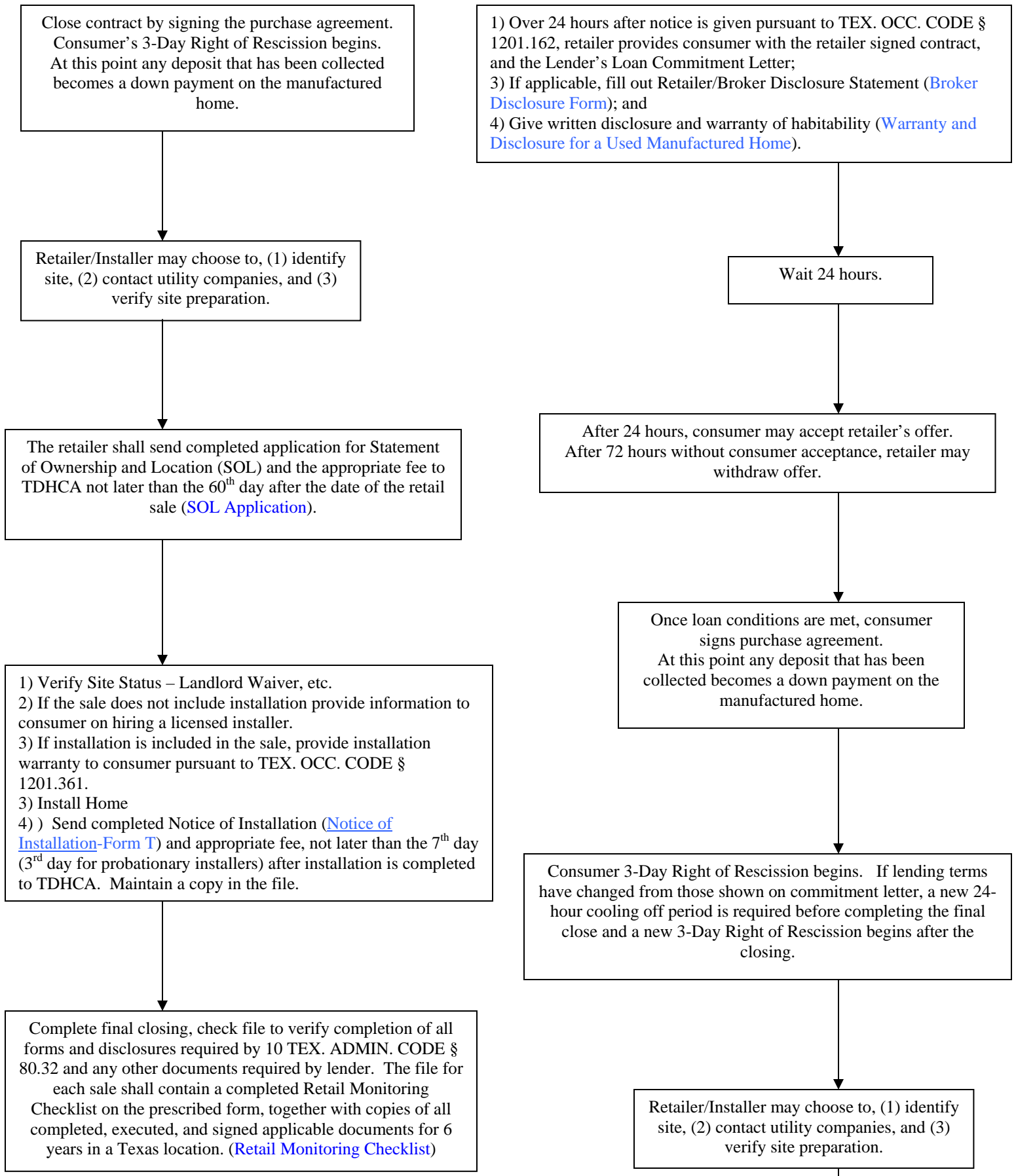
Prior to entering into any sales agreement the retailer shall give site preparation notice ([Site Preparation Notice Form](#)) and provide the purchaser with consumer disclosure regarding the installation pursuant to 24 C.F.R. § 3286.7. Maintain a signed and dated copy in the file.

Prior to entering into any sales agreement give: TEX. OCC. CODE § 1201.153 Formaldehyde Health Notice ([Formaldehyde Notice](#)); and Get consumer's signature and the date on the copy of the Formaldehyde Health Notice to acknowledge receipt and keep in file.

Consumer completes credit application. The credit application is then sent to the lender.

Retailer/Installer may visit installation site and confirm method of installation, if installation is included in the sale.

When applicable, ensure the Third Party Closer Form is completed and sent to lender or appropriate third party. ([Instructions to Third Party Closer](#)) Maintain a signed and dated copy in the file.



- 1) Send package to lender with applicable documents, and
- 2) The retailer shall send a completed application for Statement of Ownership and Location (SOL) and the appropriate fee to TDHCA not later than the 60th day after the date of the retail sale ([SOL Application](#)).

- 1) Verify Site Status – Landlord Waiver, etc.
- 2) If the sale does not include installation provide information to consumer on hiring a licensed installer.
- 3) If installation is included in the sale, provide installation warranty to consumer pursuant to TEX. OCC. CODE § 1201.361.
- 3) Install Home
- 4)) Send completed Notice of Installation ([Notice of Installation-Form T](#)) and appropriate fee, not later than the 7th day (3rd day for probationary installers) after installation is completed to TDHCA. Maintain a copy in the file.

Complete final closing, check file to verify completion of all forms and disclosures required by 10 TEX. ADMIN. CODE § 80.32 and any other documents required by lender. The file for each sale shall contain a completed Retail Monitoring Checklist on the prescribed form, together with copies of all completed, executed, and signed applicable documents for 6 years in a Texas location. ([Retail Monitoring Checklist](#))

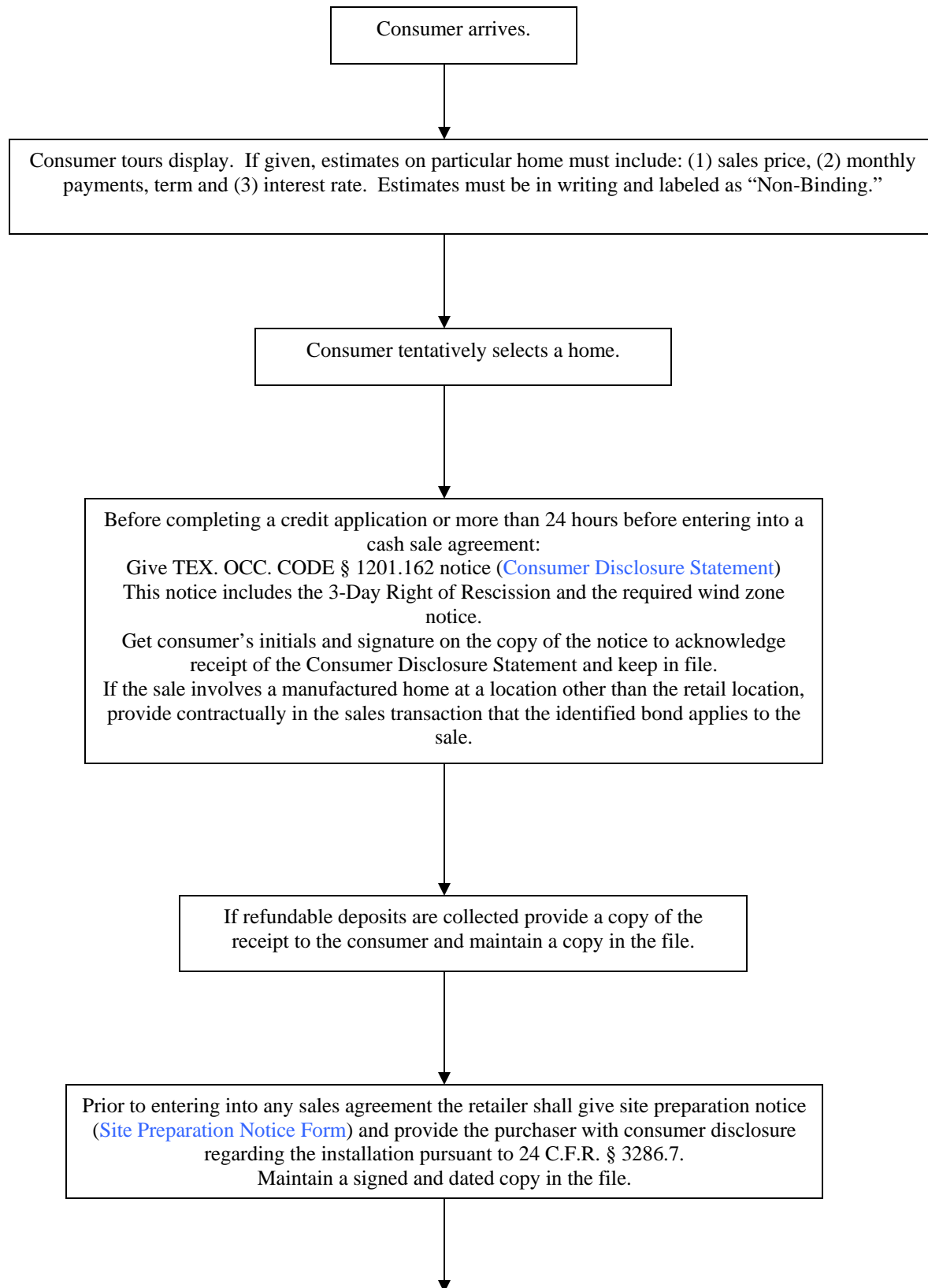
Exhibit H,3

VII. Guide to Agency Programs

- F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures.**

Flow Chart for New Home Sales.

FLOW CHART FOR NEW HOME SALES
(IN INVENTORY SALES)



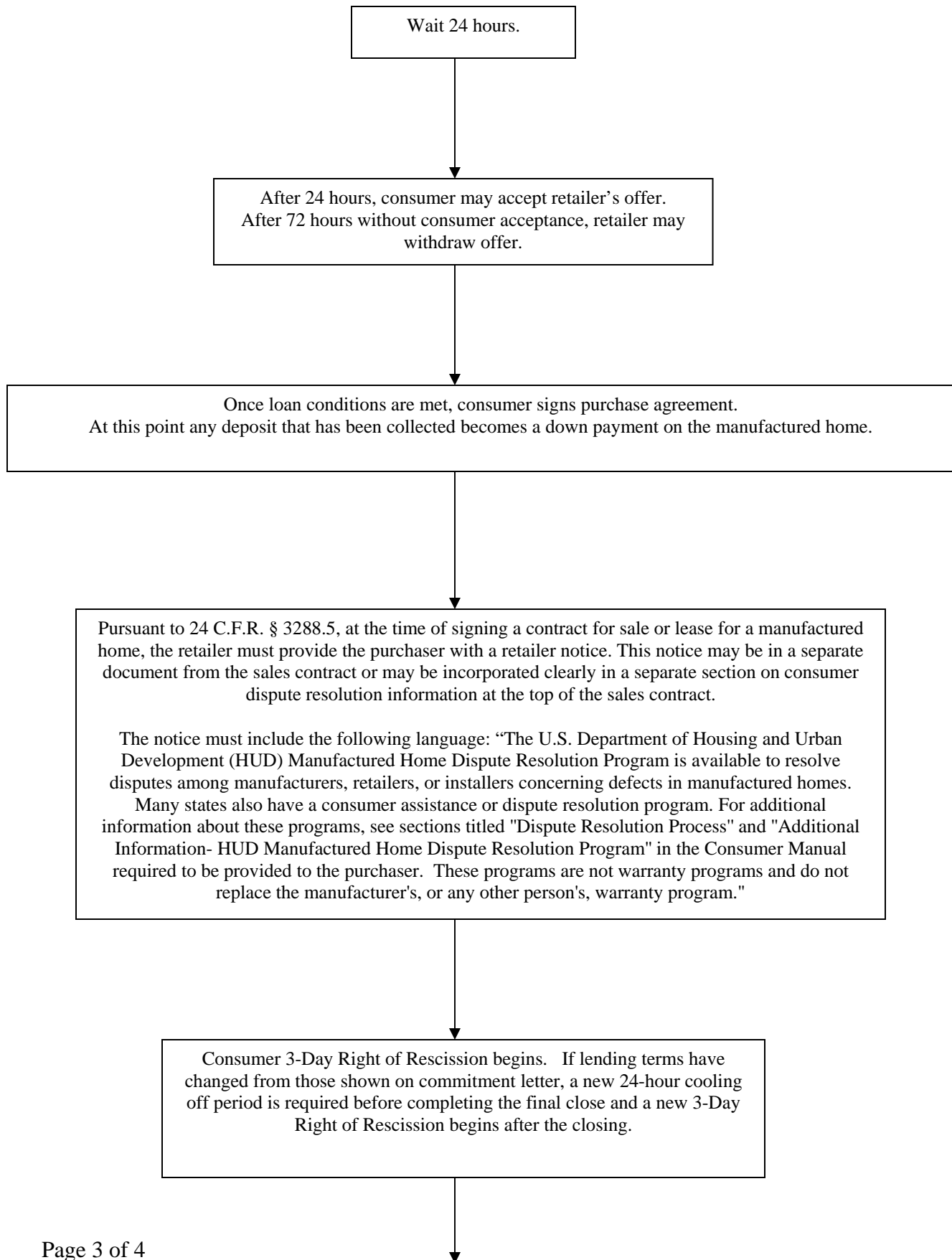
Prior to entering into any sales agreement give:
TEX. OCC. CODE § 1201.153 Formaldehyde Health Notice ([Formaldehyde Notice](#));
and
Get consumer's signature on the copy of the Formaldehyde Health Notice to acknowledge receipt and keep in file.

Consumer completes credit application, if appropriate.

Retailers shall forward credit application to lenders,
if appropriate.

When applicable, ensure the Third Party Closer Form is
completed and sent to lender or appropriate third party.
([Instructions to Third Party Closer](#)) Maintain a signed and
dated copy in the file.

- 1) Over 24 hours after notice is given pursuant to TEX. OCC. CODE § 1201.162, the retailer provides consumer with the retailer signed contract and the Lender's Loan Commitment Letter if applicable;
- 2) Give customer a copy of:
 - i.) the manufacturer's warranty pursuant to TEX. OCC. CODE § 1201.351;
 - ii.) the retailer's warranty pursuant to TEX. OCC. CODE § 1201.352;
 - iii.) the warranties given by the manufacturers of appliances or equipment included with the home;
 - a) If A/C is installed, provide notice of air conditioning installation as provided on the installation checklist. ([Installation Checklist](#))



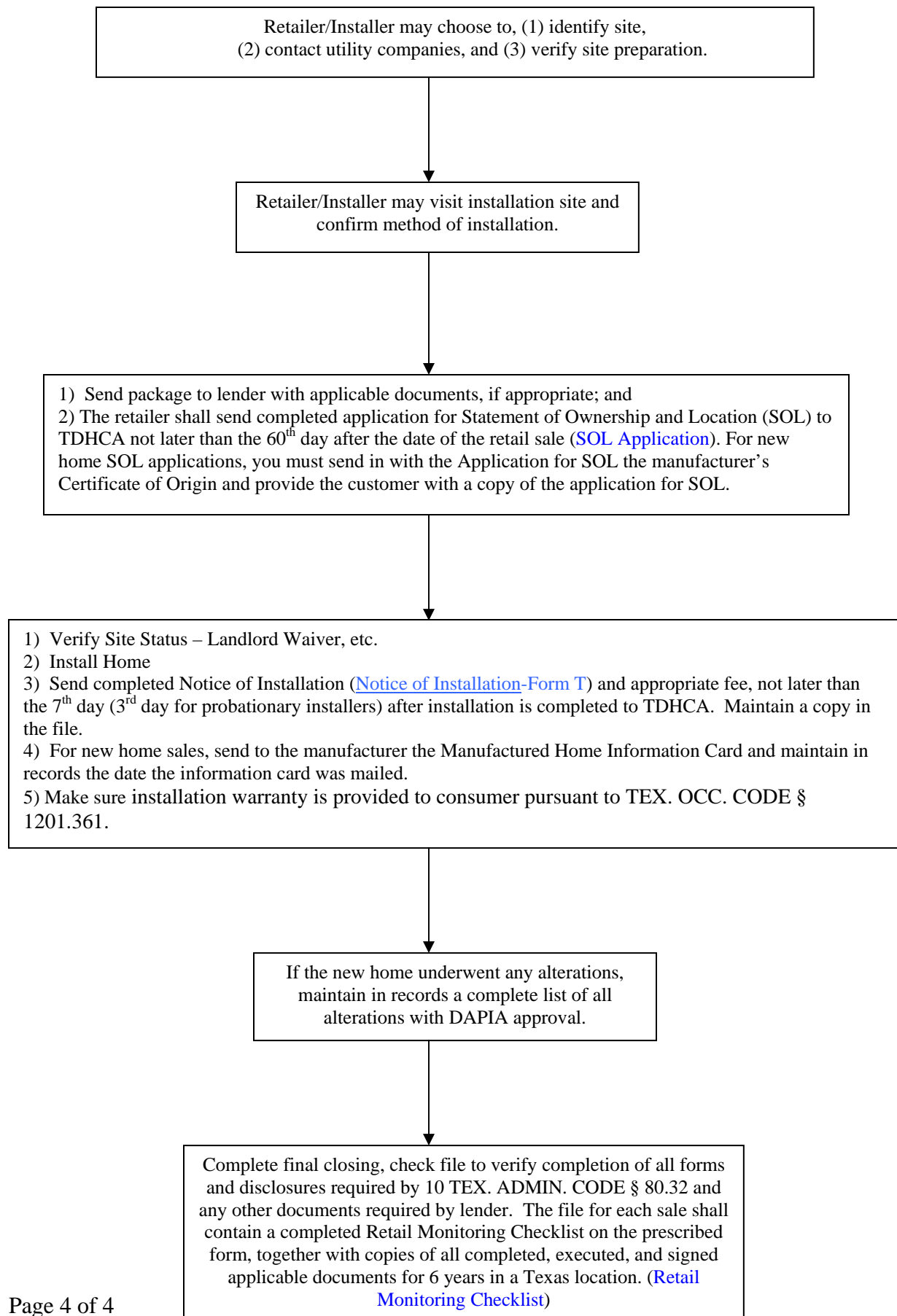


Exhibit I

VII. Guide to Agency Programs

- F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures.**

Customer Service Flow Chart.

Customer Service
4,259 average monthly calls
290,000 annually

Support Services Unit Line
1 Rep.
Assist Attorney's, Title Companies, Lenders

Customer Service Line
5 Reps
Assist Consumer(s)

Transfer Calls
Licensing, Consumer Complaints,
Housing Programs Dept.

Return Consumer Calls
English / Spanish Speaking

Email Response(s)
1,205 monthly average
Reply to Inquiries and/or Forward To:
Processing – general title inquiries, status updates, questions
MHRAI – responses to Request for Additional Information (RAI)
MH Election Perfection – Email of County Recorded SOL to perfect lien

Assist Processing Department

*Mail Out SOL's & RAI's
Issued*

*Record SOL
Deed Recordation*

**Walk-In Customer(s) with
Application Submission &/or
Questions**
500 monthly average

Priority Process of SOL's

*Mail Out Form Packets
1,184*

Exhibit J,1

VII. Guide to Agency Programs

- F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures.**

Consumer Complaints FY 2008.

Consumer Complaints FY 08

	CC Warr.	CC Indust.	CC HORF	CC Habt.	CC Inst.	CC PD/SAA	CC Inspected	CC Reinspected	CC Closed	CC to DR	Habit.	Invest.	Ret. Mont.	PMC	MLC	SAA	IBTS
Southern	2	0	0	0	0	0	8	6	5	0	7	0	60	8	0	5	0
Eastern	10	0	0	5	1	1	13	4	9	2	1	3	21	5	0	1	0
Waco	1	0	0	0	0	0	2	0	1	0	3	0	6	1	0	3	0
North	5	2	0	0	0	0	9	3	12	0	10	1	63	3	2	2	2
September	18	2	0	5	1	1	32	13	27	2	21	4	150	17	2	11	2
Southern	4	0	0	1	2	0	7	5	3	0	7	0	40	2	1	2	0
Eastern	7	0	1	6	0	0	15	16	18	5	6	0	20	3	0	0	0
Waco	0	0	0	0	1	0	0	0	0	0	4	0	7	0	0	1	0
North	6	5	0	0	0	0	10	3	14	1	11	0	46	3	7	6	0
October	17	5	1	7	3	0	32	24	35	6	28	0	113	8	8	9	0
Southern	4	0	0	0	0	0	5	4	4	0	5	0	12	1	1	3	0
Eastern	6	0	0	4	0	0	9	5	9	0	4	2	15	4	0	0	0
Waco	1	0	0	0	2	0	3	0	1	0	3	2	5	0	0	0	0
North	5	1	0	0	1	0	9	2	9	1	2	0	61	2	2	4	0
November	16	1	0	4	3	0	26	11	23	1	14	4	93	7	3	7	0
Southern	3	0	0	0	0	0	1	9	2	0	2	0	6	0	0	4	0
Eastern	7	0	0	3	3	1	8	2	10	3	3	0	0	3	0	0	0
Waco	1	0	0	0	0	0	0	0	3	0	0	0	4	0	0	0	0
North	5	3	0	0	0	0	5	5	6	1	5	6	5	1	1	3	1
December	16	3	0	3	3	1	14	16	21	4	10	6	15	4	1	7	1
Southern	3	0	0	0	0	0	4	5	3	0	5	0	75	4	0	1	0
Eastern	2	0	0	5	0	1	9	8	10	4	4	1	4	2	0	0	0
Waco	1	0	0	0	0	0	2	2	1	0	1	0	2	1	0	0	3
North	7	2	0	1	2	0	11	8	11	2	9	0	28	8	0	2	3
January	13	2	0	6	2	1	26	23	25	6	19	1	109	15	0	3	6
Southern	5	0	0	0	2	0	6	3	2	0	4	1	41	1	0	3	0
Eastern	1	0	1	5	0	0	4	3	6	3	4	1	10	1	0	0	0
Waco	0	0	0	0	0	0	0	0	1	0	3	0	0	1	0	0	0
North	10	0	0	0	0	0	11	1	0	0	2	0	30	4	0	2	0
February	16	0	1	5	2	0	21	7	9	3	13	2	81	7	0	5	0
6 Month	106	17	2	30	15	3	165	101	155	24	112	23	627	61	17	49	10

Consumer Complaints FY 08

Southern	8	0	0	0	1	0	12	5	4	0	8	0	45	12	0	0	0
Eastern	6	0	1	5	0	0	2	5	3	1	7	0	24	3	0	0	0
Waco	0	0	0	0	0	0	1	0	0	0	0	0	28	1	0	0	0
North	10	0	0	0	2	0	15	3	12	1	10	0	28	18	1	3	0
March	24	0	1	5	3	0	30	13	19	2	25	0	125	34	1	3	0
	CC Warr.	CC Indust.	CC HORF	CC Habt.	CC Inst.	CC PD/SAA	CC Inspected	CC Reinspected	CC Closed	CC to DR	Habit.	Invest.	Ret. Mont.	PMC	MLC	SAA	IBTS
Southern	4	1	0	0	0	0	8	2	2	0	9	5	10	15	0	0	0
Eastern	6	1	0	4	0	0	5	5	7	1	5	4	6	10	0	0	0
Waco	0	1	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0
North	11	0	0	0	0	0	12	5	2	2	10	3	40	31	0	3	0
April	21	3	0	4	0	0	25	12	11	3	24	12	57	60	0	3	0
Southern	4	0	0	0	0	0	2	5	0	0	11	7	13	9	0	0	0
Eastern	9	0	0	3	0	0	6	8	7	3	1	5	15	2	0	0	0
Waco	2	1	0	0	1	0	1	0	2	0	2	0	0	0	0	4	0
North	7	0	17	0	0	0	21	6	9	1	9	1	59	5	0	0	0
May	22	1	17	3	1	0	30	19	18	4	23	13	87	16	0	4	0
Southern	1	0	0	0	0	0	3	0	5	0	4	1	19	1	0	0	0
Eastern	5	0	1	6	0	0	5	0	5	0	1	4	0	1	0	0	0
Waco	1	0	0	0	0	0	4	0	0	0	3	0	0	1	0	0	1
North	4	3	0	0	0	0	4	3	19	1	12	0	13	7	10	4	1
June	11	3	1	6	0	0	16	3	29	1	20	5	32	10	10	4	2
Southern	2	0	0	0	0	0	0	1	4	1	3	2	13	2	0	0	0
Eastern	6	5	0	3	0	0	3	7	6	2	2	1	0	2	0	0	0
Waco	2	0	0	0	0	0	0	0	1	0	0	0	16	1	0	0	0
North	6	0	0	2	0	0	7	0	2	0	13	0	11	2	1	3	2
July	16	5	0	5	0	0	10	8	13	3	18	3	40	7	1	3	2
Southern	2	1	0	0	0	0	4	1	7	0	4	0	11	2	1	0	0
Eastern	2	0	0	2	0	0	1	9	0	1	1	1	0	3	0	0	0
Waco	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0
North	1	0	0	0	0	0	3	4	7	0	6	0	6	0	5	1	1
August	5	1	0	2	0	0	10	14	14	1	11	1	17	5	6	1	1
YTD Totals	195	26	21	55	18	3	272	163	244	36	226	51	919	190	32	60	14

Consumer Complaints FY 08

6 Month FY 05	153	23	40	8	27	3	191	114	181	34	21	41	414	34	0	46	20
6 Month FY 06	85	27	16	14	31	2	150	68	130	26	98	25	296	126	33	24	28
6 Month FY 07	97	13	3	35	19	0	146	40	101	14	120	24	186	176	14	27	25
6 Month FY 08	106	17	2	30	15	3	165	101	155	24	112	23	627	61	17	49	10

Exhibit J,2

VII. Guide to Agency Programs

- F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures.**

Installation Inspections FY 2008.

Installation Inspections FY 08

	Inst. Rcvd. Wind I	% Wind Insp.	Inst. Att. Wind I	Inst. Comp. Wind I	Inst. With Violation s WZI	% insp. W/Viol.	Inst. Rcvd. Wind II	Inst. Att. Wind II	Inst. Comp. Wind II	% Wind II Insp.	Inst. w/ violations WZII	Inst. Re-inspecte d	Inst.to DR	URIN	Label Verif.	Special	Inst. Mon.
Southern	136		181	67	22		13	35	16			24	0	2	0	0	
Eastern	130		76	46	0		30	24	13			1	0	0	0	0	4
Waco	25		106	83	13							3	0	0	0	0	0
North	509		209	70	16							14	0	0	0	0	1
September	800	33%	572	266	51	17%	43	59	29	67%		42	0	2	0	0	5
Southern	151		249	99	32		28	69	40			38	1	2	0	0	5
Eastern	304		81	60	10		65	26	17			0	0	0	0	0	5
Waco	130		94	56	9							4	0	0	0	0	0
North	762		430	143	46							6	0	1	0	0	1
October	1347	27%	854	358	97	23%	93	95	57	61%		48	1	3	0	0	11
Southern	384		315	155	44		31	82	55			36	0	1	1	0	4
Eastern	169		68	40	2		46	30	18			0	0	0	0	0	6
Waco	168		109	87	22							11	0	0	0	0	0
North	344		480	133	20							8	0	0	0	0	1
November	1065	39%	972	415	88	18%	77	112	73	95%		55	0	1	1	0	11
Southern	159		256	114	32		18	45	24			17	2	5	0	0	4
Eastern	125		37	28	0		54	14	9			0	0	0	0	0	4
Waco	58		89	48	13							4	0	0	0	0	0
North	466		286	83	9							3	0	0	0	0	2
December	808	34%	668	273	54	18%	72	59	33	46%		24	2	5	0	0	10
Southern	411		225	109	12		35	34	15			10	0	2	0	0	7 14
Eastern	230		72	51	3		78	33	24			0	0	0	0	0	5 0
Waco	109		130	92	16							13	0	0	0	0	0 0
North	432		589	188	16							7	0	0	0	0	3 0
January	1182	37%	1016	440	47	20%	113	67	39	35%		30	0	2	0	0	15 14
Southern	184		184	91	15		17	4	3			12	0	3	0	0	0 10
Eastern	69		48	38	5		21	18	10			0	1	0	0	0	6 0
Waco	58		92	74	17							2	0	0	0	0	0 0
North	169		313	96	16							3	0	0	0	0	0 0
February	480	62%	637	299	53	17%	38	22	13	34%		17	1	3	0	0	6 10
6 Month	5682		4719	2051	390		436	414	244			216	4	16	1	0	58 24

Installation Inspections FY 08

Southern	258		310	147	27		89	41	19		3	38	0	1	0	0	6
Eastern	107		49	35	0		38	26	14		1	0	0	0	1	10	0
Waco	146		126	96	14							12	0	0	0	0	0
North	691		398	125	17							4	1	5	0	0	0
March	1202	34%	883	403	58	14%	127	67	33	26%		54	1	6	1	10	6
	Inst. Rcvd. Wind I	% Wind I Insp.	Inst. Att. Wind I	Inst. Comp. Wind I	Inst. With Violation s.	% insp. W/Viol.	Inst. Rcvd. Wind II	Inst. Att. Wind II	Inst. Comp. Wind II	% Wind II Insp.	Inst. w/violations WZII	Inst. Re-inspected	Inst.to DR	URIN	Label Verif.	Special	Inst. Mon.
Southern	262		261	117	25		33	39	17		1	23	0	20	0	3	2
Eastern	254		56	38	0		70	23	14		3	1	0	0	2	10	0
Waco	118		103	78	25							6	0	0	0	0	0
North	254		299	106	25							4	0	16	0	13	4
April	888	38%	719	339	75	22%	103	62	31	30%	4	34	0	36	2	26	6
Southern	250		217	107	23		36	9	3		2	13	0	1	0	0	3
Eastern	146		45	33	0		45	27	12		4	0	0	0	1	9	0
Waco	137		78	44	4							3	0	0	0	0	0
North	626		203	72	9							5	0	1	0	1	8
May	1159	22%	543	256	36	14%	81	36	15	19%	6	21	0	2	1	10	11
Southern	298		98	56	7		45	17	9		1	9	0	1	0	0	0
Eastern	154		15	13	0		62	11	6		0	0	0	0	0	10	0
Waco	176		73	51	8							2	0	0	0	0	0
North	777		137	37	3							0	0	0	0	0	2
June	1405	12%	323	157	18	11%	107	28	15	14%	1	11	0	1	0	10	2
Southern	390		92	50	3		52	18	9		1	12	0	0	0	4	2
Eastern	536		25	16	1		54	22	6		0	0	0	0	0	3	0
Waco	76		39	28	7							0	0	0	0	1	0
North	245		201	55	4							2	0	0	0	1	0
July	1247	12%	357	149	15	10%	106	40	15	14%	1	14	0	0	0	9	2
Southern	206		75	32	1		43	6	0		0	1	0	0	0	0	0
Eastern	277		8	5	0		69	8	4		0	0	0	0	0	1	0
Waco	146		57	33	10							2	0	0	0	0	0
North	826		153	79	12							14	0	1	0	3	0
August	1455		293	149	23		112	14	4			17	0	1	0	4	
YTD Totals	13038	27%	7837	3504	615	16%	1072	661	357	33%		367	5	62	5	127	51

Installation Inspections FY 08

6 Month FY 05	5674		6304	2880	728		428	378	242		379	99	115	13	227
6 Month FY 06	7091		6087	2535	536		556	451	275		165	46	31	4	82
6 Month FY 07	6974		5717	2404	518		578	335	205		252	13	13	2	46
6 Month FY 08	5682	36%	4719	2051	390	17%	436	414	244	58%	216	4	16	1	58

Exhibit K

XII. Agency Comments

Agency Comments

TDHCA Manufactured Housing Division Goals FY 2008 – FY 2009.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2008
September 2007 – December 2007

Program Area	Goal	Status	Notes
Licensing	Improve processing time to less than 7 working days as specified in the Rules.	Achieved	Maintaining processing time of 5 working days.
Licensing	Improve the monitoring and handling of license holders with expired bonds.	Achieved	November 2007 – Implemented a procedure to notify the Retailer’s inventory floor planner in the event that the bond expires so that they will be on notice and can pick up their inventory if the bond is not reinstated.
Consumer Complaints	Improve complaint handling time.	Achieved	September 2007 – Implemented a procedure requiring complaints to be resolved within 180 days or the Investigator, Inspector, and/or the Manager are held accountable.
Enforcement	Address the visible violators in the industry.	Achieved	September 2007 – Implemented directive for staff to observe and open complaints on any visible violations observed while on travel. September 2007 – Implemented directive for field staff to begin monitoring local publications for illegal advertising.
Document Control	Begin the long term goal of going “paperless”.	Achieved	September 2007 – Began scanning all incomplete applications for Statement of Ownership and Location pending response from the applicant, eliminating the need to maintain and manage approximately 5000 hard copies, and making the records available to everyone in the Division from their desktop.
General	Improve Communications with the industry.	Achieved	Established joint commitment with the Texas Manufactured Housing Association (TMHA), to work at promoting the industry, developing rules, and making a concerted effort to improve communications and consideration of each other’s needs through stakeholder’s meetings, Installation Advisory Committee, and by limiting all communications between the Department and the TMHA, to just Joe Garcia and DJ Pendleton.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2008
September 2007 – December 2007

Program Area	Goal	Status	Notes
General	Implement House Bill 1460, effective 9/1/2007.	Achieved	Fully implemented HB1460 through the development of rules; forms; small and large Law and Rules booklets sent to the industry; training sessions; correspondence and clarifications sent to all license holders, tax offices, title companies, and lenders; and sent electronic bulletins from the website.
General	Improve the information available on the website to reduce calls and inquiries.	Achieved	October 2007 – Enhanced the website by making all Requests for Additional Information, generated on incomplete applications, viewable from the website.
General	Develop mechanism to assist the Managers in improving their efficiency.	Achieved	Implemented the concept of “Team Leaders” for each program area, proving the Manager more flexibility to oversee their area, monitor progress, and handle priority issues.
General	Improve efficiency of the field staff.	Achieved	Assigned cell phones to all field and management staff.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2008
January 2008 – August 2008

Program Area	Goal	Status	Notes
Licensing	Maintain improved processing time achieved in 2007 for license applications.	Achieved	Consistently maintain processing time of 5 working days.
Licensing	Continued efficiency improvement to handling expired bonds.	Achieved	January 2008 Implemented a procedure for the Licensing Unit to notify the appropriate field office anytime that a Retailer's bond is expired so that the field can visit the Retailer, advise of the expired bond and that they cannot conduct business, and take an inventory of the homes in stock. Additionally, if the Retailer does not reinstate their bond, the Inspector makes a second visit to ensure that no homes have been sold and takes another inventory.
Licensing	Improve the monitoring of expired licenses.	Achieved	January 2008 – Implemented a procedure for the Licensing Unit to notify the appropriate field office anytime that a Retailer's license is expired so the field can advise that they cannot conduct business with an expired license, that the Salespersons cannot conduct business, as their sponsoring retailer is not licensed, and an inventory of the homes in stock is taken. If the license is not renewed, the Inspector makes a second visit to ensure that no homes have been sold and takes another inventory.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2008
January 2008 – August 2008

Program Area	Goal	Status	Notes
Processing	Considering that the majority of the applications received did not comply with HB1460, effective 9/1/2007, promote public awareness.	Achieved	<ul style="list-style-type: none"> ▪ Agreed to attend scheduled continuing education seminars held by the Texas Land Title Association. ▪ Conducted approximately 15 training sessions to taxing entities, title companies, lenders, and attorney’s offices on the ownership and lien recordation process.
Customer Service	Increase the number of consumers who are assisted.	Achieved	March 2008 – Created the Support Services Unit to serve the lenders, title companies, and industry, relieving the main toll-free number of those calls.
Customer Service	Improved level of customer service provided.	Achieved	January 2008 – Implemented the “Red Carpet” treatment for all callers. Customer Service Representatives have been coached on techniques to enhance the level and perception of the service provided.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2008
January 2008 – August 2008

Program Area	Goal	Status	Notes
Customer Service	Improve the level of service provided to walk-in customers.	Achieved	January 2008 – Located the Customer Service Team Leaders at the counter to assist all walk-in customers. Additionally, empowered the Team Leaders to take the liberty of “walking an application through” if the customer drove a long distance, just as a courtesy.
Consumer Protection	Reduce unlicensed/illegal activity.	Achieved	<ul style="list-style-type: none"> ▪ January 2008 – Created a task force to monitor advertisements (in all media) throughout the state and issue non-compliance letters initially, then pursue administrative action if problem persists. ▪ June 2008 – Conducted a “sting” in Montgomery County, in cooperation with the local enforcement authorities which resulted in an arrest based on both state and federal violations. ▪ Created an agency logo with a link to the Department’s website, to assist license holders in complying with the requirements to provide a link to the Department’s website. ▪ March 2008 – Created and distributed to all license holders and subscribers of our website, a flyer promoting the reporting of illegal activity and created a form on our website to report illegal activity anonymously if desired.
Document Control	Progress with “going paperless.”	Achieved	April 2007 – Began scanning all licensing files.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2008
January 2008 – August 2008

Program Area	Goal	Status	Notes
Document Control	Improve QC.	Achieved	Moved the proofing function to the Document Control Unit so they could carefully proof the SOL before mailing and also review the contents and coding of the application to ensure proper processing.
Document Control	Cross-Train staff.	Achieved	August 2008 – Started the cross-training effort with the proofing function and completed the training between the rest of the staff.
Document Control	Archiving of Installation Reports.	Achieved	Installation Reports are now being scanned.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2008
January 2008 – August 2008

Program Area	Goal	Status	Notes
Tax Lien	Improve the efficiency of the tax lien filing process and efficiency.	Achieved	<ul style="list-style-type: none"> ▪ April 2008 – Created an Standard Operating Procedure (SOP) and procedures for tax lien filing and releases. ▪ May 2008 – Moved the tax lien function from the Processing Unit and placed it with the Federal Standards Unit so it can receive the individualized attention it needs.
Field	Improve communications between the field and industry.	Achieved	<ul style="list-style-type: none"> ▪ January 2008 – Began providing all new Installers with the name and address of the field office who will be inspecting their work and the Inspector met them to ensure that the Installer was familiar with reporting requirements. ▪ Provide installation training to all installers upon request.
Field	Increase the number of Retailers monitored annually.	Achieved	<ul style="list-style-type: none"> ▪ April 2008 – Implemented a procedure requiring that all Retailers be “monitored” or inspected two times per year. Current statistics showed that some retailers had not been monitored in over five years. ▪ April 2008 – Enhanced the database to include a field to indicate the monitoring dates to effectively track which is due for initial or second inspection.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2009
September 2008 – August 2009

Program Area	Goal	Status	Notes
Licensing	Improve the process for receiving Continuing Education (CE) certificates as those mailed in were listed with name variations and were difficult to relate to prospective renewal applicants.	Achieved	September 2008 – Created an email address just for CE certificates and lists to be emailed to enabling anyone to extract and review the data. Also adopted a rule requiring the education provider specify a license holder or their related person as having satisfied the education requirement.
Licensing	Improve the availability of staff to take calls.	Achieved	November 2008 – Implemented a new toll-free number for the Enforcement and Licensing calls. Rather callers reaching the staff directly and having to leave voicemail if the staff member was away, the implementation of the new number required all six employees to be online ensuring that the caller reaches someone no matter who is unavailable. Additionally, rerouting these callers to the new number enabled consumers to get through with less hold time.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2009
September 2008 – August 2009

Program Area	Goal	Status	Notes
Licensing	Improve the efficiency of license application processing.	Achieved	February 2009 – Purchased Accurint, a subscription which enables us to check criminal history, locate information such as assumed names, contact information, and business affiliations, just to name a few.
Processing	Improve the efficiency and processing time of SOL application handling.	Achieved	April 2009 – Implemented a policy establishing a performance standard to process all completed applications for SOL within 10 working days.

Manufactured Housing Division

Division Goals

Fiscal Year 2009
September 2008 – August 2009

Program Area	Goal	Status	Notes
Customer Service	Increase the number customers who we serve via phone call.	Achieved	<ul style="list-style-type: none"> ▪ September 2008 – Created an email address for title companies to scan and email confirmation that the SOL elected as real property was recorded with the County Clerk and the Tax Office, eliminating the need to fax these documents along with the follow up call. ▪ October 2008 – Created an email address for responses to Requests for Incomplete Applications to be scanned and emailed rather than faxing and calling to confirm receipt. Also incorporated an automated response confirming receipt. ▪ November 2008 – Created a new toll-free number for all enforcement and licensing calls, thereby reducing the number of calls received in Customer Service. ▪ December 2008 – Created a flyer and application that lienholders/lenders agreed to send to all of their customers who paid off their lien, reducing the number of calls to us in response to the lender' payoff letter.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2009
September 2008 – August 2009

Program Area	Goal	Status	Notes
Consumer Protection	Fine and/or probate licenses as a way to enable license holders to remain in the industry but under more scrutiny.	Achieved	December 2008 – Began implementing Director’s Disciplinary Meetings, pursuant to the statute, requiring license holders to demonstrate why their license should be suspended or revoked when Warranty Orders are not complied with. For active license holders, fining and/or probating the license seems to have a positive effect.
Consumer Protection	Increase the education of license holders who violate the law.	Achieved	Imposed a procedure where part of the penalty is attending the 20 hour licensing course.
Consumer Protection	Reduce illegal/unlicensed activity	Achieved	<ul style="list-style-type: none"> ▪ February 2009 – Implemented a procedure for the Manager and/or Director of the Enforcement Unit to arrange regular meetings with various local law enforcement agencies to provide an oversight of the Department’s regulatory responsibility and manufactured housing as a whole. ▪ February 2009 – Created the Unlicensed Activity Task Force to investigate reported illegal or unlicensed activity. ▪ March 2009 – Created a reporting feature from our website enabling persons to report illegal or unlicensed activity.
Enforcement	Post enforcement actions on the website.	Achieved	We are now posting all results of enforcement orders on our website.
Document Control	Updated State Retention Schedule	Achieved	Changes submitted have been updated and posted. Future updates are forthcoming.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2009
September 2008 – August 2009

Program Area	Goal	Status	Notes
Tax Lien	Improve the efficiency of the tax lien/release filing process.	Achieved	March 2009 – Streamlined the process of returning released tax liens by making the scanned images we maintain available on line rather than having to mail them, resulting in a savings of \$5,000 annually.
General	Improve communications	Achieved	<ul style="list-style-type: none"> ▪ September 2008 – Created an Emergency Contingency Manual with an overview of manufactured housing, a copy of the Law and Rules, and contact numbers for key personnel. ▪ Contacted the Governor’s Office and provided a copy of this information during the last disaster. ▪ October 2008 – Created an email address for insurance companies to scan and email copies of the claim letters they sent to those whose homes are totaled. This enables us to retain scanned copies and flag the file so that no subsequent statements of ownership and location are issued. ▪ November 2008 – Created and submitted a modification to their salvage claim letter which emphasized to the insured that a salvaged home could not be rebuilt or sold by/to anyone other than a licensed retailer or rebuilder.
General	Request approval from HUD to utilize a Texas Installation Program, unique to Texas, in lieu of the federal installation program required nationwide.	Achieved	August 2008 - Request submitted. April 2009 - Approval received.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Manufactured Housing Division

Division Goals

Fiscal Year 2009
September 2008 – August 2009

Program Area	Goal	Status	Notes
General	Effectively participated in as a resource for the 81 st Legislative Session.	Achieved	
General	Develop rules for federal installations standards if passed	Achieved	December 2008 – Developed and adopted Emergency Rules consistent with new federal mandates.

Attachment Table of Contents

Attachment 1:	Link to MHD Statute: http://tdhca.state.tx.us/mh/docs/09-1201revformat.pdf
Attachment 2:	Annual Reports: See TDHCA Attachment 2
Attachment 3:	Internal or External Newsletter: See TDHCA Attachment 3
Attachment 4:	Publications and Brochures Describing the Agency
Attachment 5:	Studies that Agency is Required to do by Legislation or Riders: None Required
Attachment 6:	Legislative or Interagency Studies: No Studies are Currently Being Performed
Attachment 7:	List of Studies from Other States, the Federal Government or national Groups: None to our Knowledge
Attachment 8:	Policymaking Body Members Biographies
Attachment 9:	Link to MHD Rules: http://tdhca.state.tx.us/mh/docs/preamble-proposed-rules.pdf
Attachment 10:	MHD LAR Performance Measures for FY 2010 to 2011
Attachment 11:	Annual Financial Report: See TDHCA Attachment 11
Attachment 12:	Operating Budget for FY 2007, FY 2008, FY 2009
Attachment 13:	Maps to Illustrate Regional Boundaries, Headquarter Locations and Field Offices
Attachment 14:	MHD Quarterly Performance Reports for FY 2006, FY 2007, FY 2008
Attachment 15:	Recent Studies by Outside Consultants: None
Attachment 16:	Agency's Current Internal Audit Plan: See TDHCA Attachment 16
Attachment 17:	Agency's Current Strategic Plan: See TDHCA Attachment 17
Attachment 18:	Internal Audit Report dated May 31, 2007, also see TDHCA Exhibit 18
Attachment 19:	State Auditor Reports: See TDHCA Attachment 19
Attachment 20:	Customer Service Surveys: None

ATTACHMENT 1

Attachments Relating to Key Functions, Powers, and Duties

1. A copy of the agency's enabling statute.

See: <http://tdhca.state.tx.us/mh/docs/09-ch1201revformat.pdf>.

ATTACHMENT 2

Attachments Relating to Key Functions, Powers, and Duties

- 2. A copy of each annual report published by the agency from FY 2004 – 2008.**

See TDHCA Attachment 2.

ATTACHMENT 3

Attachments Relating to Key Functions, Powers, and Duties

3. **A copy of each internal or external newsletter published by the agency from FY 2007 – 2008.**

See TDHCA Attachment 3.

ATTACHMENT 4

Attachments Relating to Key Functions, Powers, and Duties

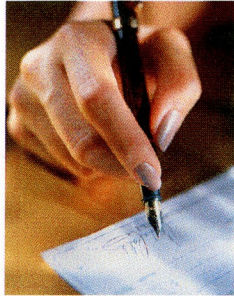
4. A list of publications and brochures describing the agency.

- 60 Day Deadline to Submit Application For Statement Of Ownership and Location
- Helpful Guidelines
- Get on Our Mailing List
- Consumer Information
- Installation Advisory Committee

Frequently Asked Questions

How do I make my payment?

Payment should be made by Cashier's check or Money Order, made payable to TDHCA.

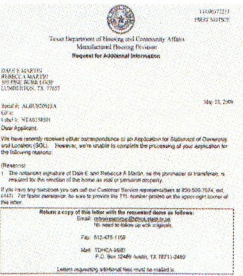


How long will it take to get my SOL?

The processing time is 15 working days on completed application (not including mail time).

What if my application is incomplete or something is needed?

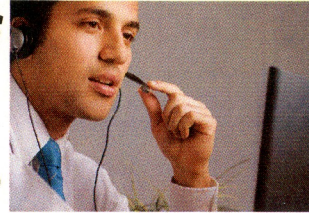
If your application is incomplete, a Request for Additional Information (RAI) will be generated and sent to the applicant, or to the lender and/or title company explaining what is needed.



If I drive to Austin can I get my SOL on the spot?

Unfortunately, this option is not offered at the moment.

Contact us for Assistance



If you require some assistance completing your application, you may contact us at:

Email:

processing@tdhca.state.tx.us

Phone:

800-500-7074

Due to a high volume of calls, you may experience a 20—45 minute hold time.

Website:

TDHCA

P. O. Box 12489
Austin, TX 78711
Direct: 512-475-2200
Toll-Free 800-500-7074

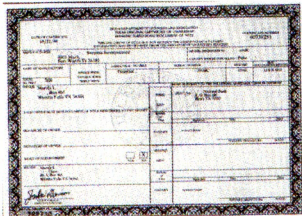
TDHCA
Manufactured Housing Division

60 DAY
DEADLINE TO
SUBMIT
APPLICATION
FOR
STATEMENT OF
OWNERSHIP
AND LOCATION



No more “Titles”...

Since 2003, the “Certificate of Title” was eliminated and replaced with the “Statement of Ownership and Location” (SOL), which serves the same purpose, but the original SOL stays on file with the Department.



Title which was in circulation until 2003.

You no longer need to have a title in your possession to sell your home. To transfer ownership,

update the address or location of the home, or to apply or release a finance lien, you simply fill out an Application for SOL, and submit it with any required supporting documentation and fee of \$55.00. (per ownership transfer).

Statement of Ownership and Loca-

Deadline and Extra Fee

60 DAY DEADLINE

Pursuant to Chapter 1201.206(h) of the Texas Occupations Code, the law requires that the **SELLER** submit the Application for SOL within 60 days from the date of sale.

SELLER CHARGED \$100 IF 60 DAY DEADLINE NOT MET

If the Application is not submitted within 60 days from the date of sale, the seller may be charged a fee of \$100 and the processing of the Application for SOL may be delayed.

HOW TO AVOID PROBLEMS

It is recommended that when the sale takes place, that the seller and buyer both sign the

Closing the sale...

application, that the buyer give the seller a Cashier's Check or Money Order made payable to TDHCA, and that the **SELLER** submit the application, the statement from the tax office that no taxes are due, the release of any prior finance or tax liens, and any other required supporting documents, within 60 days from the date of sale.

TDHCA
Manufactured Housing Division

P. O. Box 12489
Austin, TX 78711
Direct: 512-475-2200
Toll-Free 800-500-7074

Texas Department of Housing and Community Affairs
MANUFACTURED HOUSING DIVISION
P. O. BOX 12489 Austin, Texas 78711-2489
(800) 500-7074, (512) 475-2200 FAX (512) 475-1109
Internet Address: www.tdhca.state.tx.us/mh/index.htm

Statement of Ownership and Location (SOL) Application Instructions

Application processing time is 15 working days from the date received complete, not including mail time to and from the Department.

This is a list of the most common ownership transactions. Please contact us directly on transactions not described herein.

FIRST TIME ISSUANCE OF AN SOL

New Home - Personal Property

- Manufacturer's Certificate of Origin (MCO) (required for sales that took place on or after 1/1/2008).
- Application for SOL - Blocks 1 (check "New Home Application"), 2, 3, 4, 5, 6 (check "personal property"), 7, 9, 10a and 10b.
- Notice of Lien Form - To be completed if a lien will be noted on SOL (previously, liens to be placed on the SOL were listed on Block 8 of the SOL Application, but now must be noted on the required Notice of Lien form).
- \$55 SOL issuance fee.
- TX DOT moving permit.

New Home - Real Property

- Manufacturer's Certificate of Origin (MCO) (required for sales that took place on or after 1/1/2008).
- Application for SOL - Blocks 1 (check "New Home Application"), 2, 3, 4, 5, 6 (check "real property" and provide legal description exactly as it should be shown on SOL or indicate in the legal description area "See Exhibit A" and attach legal description separately), 7, 9, 10a and 10b.
- Notice of Lien Form - To be completed if a lien will be noted on SOL (previously, liens to be placed on the SOL were listed on Block 8 of the SOL Application, but now must be noted on the required Notice of Lien form).
- \$55 SOL issuance fee.
- TX DOT moving permit, if move was part of the sale.

**REVISION OF AN SOL
WITH OWNERSHIP CHANGE**

Owner of record transferring to a new buyer - Home Remaining Personal Property

- Application for SOL - Blocks 1 (check "Used Home Application"), 2, 3, 4, 5, 6 (check "personal property"), 7, 10a and 10b.
- Notice of Lien Form - To be completed if lien will be noted on SOL (previously, liens to be placed on the SOL were listed on Block 8 of the SOL Application, but now must be noted on the required Notice of Lien form).
- Form B - Completed by the lienholder of record for the release of any personal property liens
- If the sale took place on or after 1-1-08, a Tax Statement from the tax assessor collector that there are no personal property taxes due on the manufactured home that may have accrued on each January 1st that fall within the 18 months before the date of sale.
- \$55 SOL issuance fee.
- If the home does not have a required HUD Label or Texas Seal, indicate so in Block 2, on the Application for SOL and submit an additional fee of \$35 per Texas Seal per section of home (Single=\$35, Doublewide=\$70, Triplewide=\$105).
- If home moved, TX DOT moving permit.

Owner of record transferring to a new buyer – Home Changing From Personal to Real Property

- Application for SOL - Blocks 1 (check “Used Home Application”), 2, 3, 4, 6 (check “real property” and provide legal description exactly as it should be shown on SOL or indicate in the legal description area “See Exhibit A” and attach legal description separately), 7, 9, 10a and 10b.
- Notice of Lien Form – To be completed if lien will be noted on SOL (previously, liens to be placed on the SOL were listed on Block 8 of the SOL Application, but now must be noted on the required Notice of Lien form).
- Form B – Completed by the lienholder of record for the release of any personal property liens or in lieu of a release of lien, a statement by the title company, attorney, or federally insured financial institution that a title insurance commitment covering all prior liens on the home has been issued. If the lien isn’t going to be released, a statement from the lender consenting to the change of election from personal property to real property will also be accepted.
- If the sale took place on or after 1-1-08, a Tax Statement from the tax assessor collector that there are no personal property taxes due on the manufactured home that may have accrued on each January 1st that fall within the 18 months before the date of sale.
- \$55 SOL issuance fee.
- If the home does not have a required HUD Label or Texas Seal, indicate so in Block 2, on the Application for SOL and submit an additional fee of \$35 per Texas Seal per section of home (Single=\$35, Doublewide=\$70, Triplewide =\$105).
- If home moved, TX DOT moving permit.

Owner of record transferring to a new buyer – Home Changing From Real Property to Personal Property

- Application for SOL - Blocks 1 (check “Used Home Application”), 2, 3, 4, 5, 6 (check “personal property”), 7, 9, 10a and 10b.
- Notice of Lien Form – To be completed if lien will be noted on SOL (previously, liens to be placed on the SOL were listed on Block 8 of the SOL Application, but now must be noted on the required Notice of Lien form).
- \$55 SOL issuance fee.
- If the home does not have a required HUD Label or Texas Seal, indicate so in Block 2, on the Application for SOL and submit an additional fee of \$35 per Texas Seal per section of home (Single=\$35, Doublewide=\$70, Triplewide =\$105).
- Habitability inspection required, provide map to home with a contact name & daytime phone number (allow at least two weeks for inspection). Home must be connected to utilities.
- \$150 habitability inspection fee.
- If the applicant is not the owner of record with the Department, satisfactory proof of ownership under a complete chain of title. Acceptable evidence would include, but not be limited to, authenticated copies of all intervening transfer documents, a court order confirming ownership, or title insurance commitment in such owner’s name issued by a title insurance company licensed to do business in Texas.
- Satisfactory evidence that any liens have been discharged (i.e., lien search, title commitment, title policy, or statement from title company or attorney’s office, stating that all liens have been discharged) or that all lienholders have consented to the change.
- If home moved, TX DOT moving permit.

Removing former spouse after a Divorce – Home remains personal property and not being sold

- Application for SOL - Blocks 1 (check “Other” then write, “Remove former spouse”), 2, 3, 4a (list both husband and wife), 4b (List name of spouse awarded the home), 6, 7, 10a (both spouses sign) and 10b (spouse awarded the home signs).
- Notice of Lien Form – To be completed if lien will be noted on SOL (previously, liens to be placed on the SOL were listed on Block 8 of the SOL Application, but now must be noted on the required Notice of Lien form).
- Form B – Completed by the lienholder of record for the release of any personal property liens or written consent from the lienholder to change the ownership.
- A complete copy of the Divorce Decree (identifying the manufactured home by address, serial number or label number) IF the signature of the former spouse cannot be obtained.
- \$55 SOL issuance fee.
- If home moved, TX DOT moving permit.

Listing a surviving spouse as sole owner under Right of Survivorship agreement – Home remains personal property and not being sold

- Application for SOL- Blocks 1 (check “Other” then write, “Remove deceased spouse”), 2, 3, 4a (list both husband and wife), 4b (List name of surviving spouse), 6 (check “personal property”), 7, and 10b (surviving spouse signs).
- Form B – Completed by the lienholder of record for the release of any personal property liens or written consent to change the ownership.
- A copy of the Death Certificate.
- \$55 SOL issuance fee.
- If home moved, TX DOT moving permit.

A Repo sold to a Retailer– Home going into retailer’s inventory

- Application for SOL from *Lender to Retailer* - Blocks 1 (check “Used Home Application”), 2, 3, 4, 6 (check “retailer’s inventory”), 7 (residential), 10a and 10b.
- Form B – Completed by the lienholder of record for the release of any personal property liens (lien release and foreclosure information must be completed).
- Notice of Lien Form – To be completed if lien will be noted on SOL (previously, liens to be placed on the SOL were listed on Block 8 of the SOL Application, but now must be noted on the required Notice of Lien form).
- If the sale took place on or after 1-1-08, a Tax Statement from the tax assessor collector that there are no personal property taxes due on the manufactured home that may have accrued on each January 1st that fall within the 18 months before the date of sale.
- \$110 SOL issuance fee (\$55 for documentation of repossession, and \$55 Lender to Retailer).
- If the home does not have a required HUD Label or Texas Seal, indicate so in Block 2, on the Application for SOL and submit an additional fee of \$35 per Texas Seal per section of home (Single=\$35, Doublewide=\$70, Triplewide =\$105).
- If home moved, TX DOT moving permit.

Update ownership on SOL already elected as real property – Home remains real property, same location

- Application for SOL - Blocks 1 (check “Used Home Application”), 2, 3, 4, 6 (check “Real Property” and provide legal description exactly as it should be shown on SOL or indicate in the legal description area “See Exhibit A” and attach legal description), 7, 10a and 10b.
- Satisfactory evidence that any liens on the land have been discharged (i.e., lien search, title commitment, title policy, or statement from title company or attorney’s office, stating that all liens have been discharged) or that all lienholders have consented to the change.
- If the applicant is not the owner of record with the Department, satisfactory proof of ownership under a complete chain of title. Acceptable evidence would include, but not be limited to, authenticated copies of all intervening transfer documents, a court order confirming ownership, or title commitment in such owner’s name issued by a title insurance company licensed to do business in Texas.
- \$55 SOL issuance fee.

Homes declared “SALVAGE” by an insurance company – Owner of record selling to retailer

Homes declared “SALVAGE” by an insurance company cannot be sold to or rebuilt by anyone other than a licensed retailer.

It is a Class B misdemeanor for a retailer to sell a salvaged home to a consumer.

- Application for SOL - Blocks 1 (check “Used Home Application”), 2, 3, 4, 6 (check “personal property”), 7 (check “Non-Residential and “Salvage”), and 10a and 10b.
- Form B – Completed by the lienholder of record for the release of any personal property liens
- If the sale took place on or after 1-1-08, a Tax Statement from the tax assessor collector that there are no personal property taxes due on the manufactured home that may have accrued on each January 1st that fall within the 18 months before the date of sale.
- \$55 SOL issuance fee.
- If home moved, TX DOT moving permit.

Home abandoned on someone else's land*

- Notice of the real property owner's intent to declare the home abandoned must be sent via certified mail, return receipt requested, informing the owners and lienholders of record, and all applicable taxing entities disclosing the location of the home.
- Application for SOL - Blocks 1 (check "Other" and write "Abandoned Home"), 2, 3, 4a (owner of record), 4b (real property owner), 5, 6, 7, 9, and 10b.
- Prescribed Affidavit of Fact for Abandonment.
- Evidence that the owner of record, lienholder(s) of record, and all applicable taxing entities have been notified of intent to declare the home abandoned on the prescribed form.
- \$55 SOL issuance fee.

REVISION OF AN SOL NO CHANGE OF OWNERSHIP
--

Change From Personal to Real Property

- Application for SOL - Blocks 1 (check "Used Home Application"), 2, 3, 4b, 6 (check "Real Property" and provide legal description exactly as it should be shown on SOL or indicate in the legal description area "See Exhibit A" and attach legal description), 7, 9, 10b.
- Notice of Lien Form - To be completed if lien will be noted on SOL (previously, liens to be placed on the SOL were listed on Block 8 of the SOL Application, but now must be noted on the required Notice of Lien form).
- Form B - Completed by the lienholder of record for the release of any personal property liens OR if a title company is involved, a statement by a title company, attorney, or federally insured financial institution that a title insurance commitment covering all prior liens on the home has been issued.
- \$55 SOL issuance fee.
- If moved, TX DOT moving permit.

Change Location (must be recorded within 30 days after relocation)

- Application for SOL - Blocks 1 (check "Used Home Application"), 2, 3, 4b, 6, and 10b.
- Form B - Completed by the lienholder of record for the release of any personal property liens or a consent from the lienholder to change the location.
- Copy of TxDOT moving permit (required).
- \$55 SOL issuance fee.

Loan Paid Off, Issue SOL with no lienholder

- Application for SOL - Blocks 1 (check "Other" then write, "Remove lienholder"), 2, 3, 4b, 6, 7, and 10b.
- Form B - Completed by the lienholder of record for the release of any personal property liens.
- \$55 SOL issuance fee.

Lien Assignment Only (for lienholders only)

- Application for SOL - Blocks 1 (check "Other" then write, "Lien Assignment"), 2, 3, and 10b (owner of record).
- Notice of Lien Form - Block 4 (former and new lienholders).
- \$55 SOL issuance fee.

Recording a new lienholder

- Application for SOL - Blocks 1 (check "Other" then write, "Record a lien"), 2, 3, 5, 6, 7, and 10b
- Notice of Lien Form - To be completed if lien will be noted on SOL, Blocks 1, 2, and 3.
- Form B - Completed by the lienholder of record for the release of any personal property liens.
- \$55 SOL issuance fee.

Correcting an SOL (Non-departmental error)

- Application for SOL - Blocks 1 (check "Other" then write, "Correct an error made by applicant"), 2 and 10b. Complete any other blocks that may contain the information being corrected.
- \$55 SOL correction fee.

Correcting an SOL (No charge, departmental error)

- Submit a copy of the record with the items to be corrected clearly identified.
- This may be mailed, faxed to 512-475-1109, or emailed to processing@tdhca.state.tx.us.
- Provide complete contact information.

Homes declared "SALVAGE" by an insurance company – Owner of record changing designation from residential to non-residential (no change in ownership)

Homes declared "SALVAGE" by an insurance company cannot be sold to or rebuilt by anyone other than a licensed retailer.

It is a Class B misdemeanor for a retailer to sell a salvaged home to a consumer.

- Application for SOL - Blocks 1 (check "Used Home Application"), 2, 3, 4b, 6 (check "personal property"), 7 (check "Non-Residential" and "Salvage"), and 10b.
- \$55 SOL issuance fee.

**EXCHANGE OR CERTIFIED COPY OF AN SOL
NO CHANGES AT ALL**

Exchanging a Title for an SOL (no charge if no changes and title is sent to us)

Effective September 2003, Titles and Certificates of Attachment have been replaced by the SOL. To trade in your Title for a personal property SOL, submit the following:

- Original document of title.
- Application for SOL - Blocks 1 (check "Other" then write "Conversion"), 2, 3 (must have physical address of home), and 9.
- No transaction fee if no changes.

Exchanging a Certificate of Attachment (COA) for an SOL (no charge if no changes and COA is sent to us)

Effective September 2003, Titles and Certificates of Attachment have been replaced by the SOL. To trade in your Certificate of Attachment for a real property SOL submit the following:

- The original Certificate of Attachment **OR** an affidavit of fact stating that the original Certificate of Attachment was filed in the real property records and that the county is now requiring a certified copy of an SOL to also be filed.
- Application for SOL- Blocks 1 (check "Other" then write "Conversion"), 2, 3 (must have physical address of home), 6 (check "Real Property" and provide legal description exactly as it should be shown on SOL or indicate in the legal description area "See Exhibit A" and attach legal description separately), and 9.
- No transaction fee if no changes.

Title lost or destroyed, need an SOL

- Application for SOL - Blocks 1 (check "Other" then write "LOST TITLE"), 2, 3, 4b, 6 (check "Personal Property"), and 10b (signed by the owner if no liens OR by the lienholder if there is a lien).
- Form B - Completed by the lienholder of record for the release of any personal property liens or written consent to the issuance of an SOL.
- \$55 SOL issuance fee.

Certified copy of a current SOL (no changes)

- Application for SOL - Blocks 1 (check "Other" then write "Certified copy"), 2, and 9.
- \$1.50 certified copy fee.

***Sec. 1201.217 of the Occupations Code - Manufactured Home Abandoned.**

- (a) The owner of real property on which a manufactured home owned by another is located may declare the home abandoned as provided by this section if the home has been continuously unoccupied for at least four months and any indebtedness secured by the manufactured home is also delinquent.
- (b) Before declaring a manufactured home abandoned, the owner of real property on which the home is located must send a notice of intent to declare the home abandoned to the record owner of the home, all lienholders at the addresses listed on the home's statement of ownership and location on file with the department, and the tax collector for each taxing unit that imposes ad valorem taxes on the real property where the home is located. The notice must include the address where the home is currently located. If the person giving such notice knows that the person to whom the notice is being given no longer resides and is no longer receiving mail at such address, a reasonable effort shall be made to locate the person and give the person notice at an address where the person is receiving mail. Mailing of the notice by certified mail, return receipt requested, postage prepaid, to the persons required to be notified by this subsection constitutes conclusive proof of compliance with this subsection.
- (c) On receipt of a notice of intent to declare a manufactured home abandoned, the record owner of the home, a lienholder, or a tax assessor-collector for a taxing unit that imposes ad valorem taxes on the real property on which the home is located may enter the real property on which the home is located to remove the home. The real property owner must disclose to the record owner, lienholder, or tax assessor-collector seeking to remove the home the location of the home and grant the person reasonable access to the home. A person removing a home is responsible to the real property owner for any damage to the real property resulting from the removal of the home.
- (d) If the manufactured home remains on the real property for at least 45 days after the date the notice is postmarked:
 - (1) all liens on the home are extinguished; and
 - (2) the real property owner may declare the home abandoned and may apply to the department for a statement of ownership and location listing the real property owner as the owner of the manufactured home.
- (e) A new statement of ownership and location issued by the department under this section transfers, free of any liens, if there is evidence of United States Postal Service return receipt from all lienholders, title to the manufactured home to the real property owner.
- (f) This section does not apply if the person who owns the real property on which the manufactured home is located and who is declaring that the home is abandoned, or any person who is related to or affiliated with that person, has now, or has ever owned, an interest in the manufactured home.

Texas Department of Housing and Community Affairs

MANUFACTURED HOUSING DIVISION
P. O. BOX 12489 Austin, Texas 78711-2489
(800) 500-7074, (512) 475-2200 FAX (512) 475-1109
Internet Address: www.tdhca.state.tx.us/mh/index.htm

Fee Schedule

Item	Fee
Issuance of a Statement of Ownership and Location (SOL)*	\$55.00
Form B – Release of Lien or Foreclosure of lien (SOL application must accompany the Form B). Note: There is no fee for the release of lien when it is part of a transfer of ownership.	\$55.00
Texas Seal for No Home ID Requested on Application for SOL	\$35.00 per section
Form S - Taxing Entity Application for a Texas Seal	\$35.00 per section
Notice of Installation – fee for single section or first section of a multi-wide	\$75.00
Notice of Installation – fee for each additional section of a multi-wide	\$25.00
Requests for a certified copy of a Statement of Ownership and Location	\$1.50

**This fee applies to ANY transaction for which an SOL will be issued, including repossession, lien assignment, lien assumption, lien release, heirship, divorce, or ANY other change to the information contained on the SOL.*

**ALL FEES MUST BE PAID BY CERTIFIED FUNDS, CASHIER'S CHECK OR MONEY ORDER,
MADE PAYABLE TO "TDHCA", AND ARE NON-REFUNDABLE.**

Fee schedule subject to change by the Manufactured Housing Division Governing Board at any time.



Helpful Guidelines

GENERAL INFORMATION

The Manufactured Housing industry is regulated by Chapter 1201 of the Texas Occupations Code, administered by the Texas Department of Housing and Community Affairs (TDHCA), Manufactured Housing Division (MHD). While the MHD is part of the TDHCA, it is only administratively attached to the agency and operates independently under its own Executive Director and governing Board.

The MHD is responsible for recording ownership and liens, recording tax liens, issuing occupational licenses to manufacturers, retailers, brokers, installers, salvage rebuilders, and salespersons. The MHD also enforces the law, provides consumer protection, and consumer remedy through the Homeowners' Recovery Trust Fund (HORTF).



Joe Garcia, Executive Director
Manufactured Housing Division

TAX STATEMENT

Sales from Jan – Jun 30

1. Require a tax statement confirming that the previous year's taxes were paid in full.
2. Requires a statement that the present year's taxes have been estimated, paid, and held in escrow.

Sales from July 1 – Sep 31

- Require a statement that the present year's taxes have been estimated, paid, and held in escrow.

Sales from Oct 1, - Dec 31

- Require a tax statement confirming that the present year's taxes have been paid in full.

MHD CONTACT INFORMATION

Support Services Unit

For lenders, title companies, attorney's offices, and industry needing titling/SOL assistance.

Toll-Free Number 888-576-2240

Mailing Address

P. O. Box 12489, Austin, Texas 78711

Web Address

<http://www.tdhca.state.tx.us/mh/index.htm>

Field Offices

DFW—817-321-8700
Lubbock—806-794-2105
Houston—713-795-5182
Waco—254-750-9681
San Antonio—210-212-9070
Edinburg—956-381-8129

Email Addresses

processing@tdhca.state.tx.us

For sending general titling inquiries, status updates, and questions.

mhresponse@tdhca.state.tx.us

For emailing responses to our Requests for Additional Information (RAI). This email address is only for receiving scanned images, **no one reads any emails from this address**, nor is there a response.

mhelectionperfection@tdhca.state.tx.us

For emailing the Statement of Ownership and Location, which has been stamped "Filed" by the County Clerk, in order to perfect an election to real property. The only thing that needs to be sent is the actual SOL and/or the attached page with the date stamp. Be sure to also send a copy to the taxing entity and appraisal district.

licensing@tdhca.state.tx.us

For emailing inquiries or scanned images of manufactured housing occupational licensing documents.

installations@tdhca.state.tx.us

For emailing inquiries or scanned images of Installation Reports.

IMPORTANT WEBSITES

TX Comptroller's Office	www.cpa.state.tx.us 800-252-555
TX Dept. Insurance	www.tdi.state.tx.us 800-252-3439
TX Dept. Licensing and Regulation	www.license.state.tx.us 800-803-9202
TX Dept. of Transportation	www.dot.state.tx.us 800-299-1700
TX Finance Commission	www.fc.state.tx.us 877-276-5554
TX Secretary of State	www.sos.state.tx.us 512-463-5555
TX Office of Consumer Credit	www.occ.state.tx.us 800-538-1579
TX Real Estate Commission	www.trec.state.tx.us 800-250-8732
TX Dept. Banking	www.tdb.state.tx.us 512-475-1317
Environmental Protection Agency	www.epa.gov
Federal Emergency Mgmt Agency	www.fema.gov
Housing Urban Development	www.hud.gov

DEADLINES

Applications for SOL

Must be received complete, with the fee, within 60 days from the date of sale.

Form T

Must be received complete, with the fee, within 7 days from the date of installation.

Renewal License

Must be received complete, with the fee, by the date of expiration or the late fees apply.

Warranty Order

Must be complied with in 30 days, or the time specified in the order, or license holder is subject to Director's Disciplinary Meeting and must show cause why their license shouldn't be suspended or revoked.

COMMON MISTAKES

Application for Statement of Ownership and Location

- Physical address no provided (can't be PO Box).
- Date of sale left off.
- Election as personal or real property not made.
- Signatures not provided or have not been notarized.
- Tax liens exist on the record.
- Statement of no taxes due not included

Form T

- Method of installation not noted.
- Map not provided.
- Serial and/or HUD Label number left off.
- Fee not submitted.

FEES

SOL Fees

\$55—Per application

Form T Fees

\$75—Single-wide homes
\$100—Double-wide homes
\$125—Triple-wide homes

Get on our mailing list!

Access our website at <http://www.tdhca.state.tx.us/mh/index.htm> and select the “Sign up to receive email updates” link in the FEATURED folder located in the lower right-hand corner of the screen.

A NEW TOLL-FREE NUMBER!

For your convenience, we have created a new Support Services Unit, exclusively for the industry, title companies, and lenders. For minimal holding time call:

888-576-2240

processing@tdhca.state.tx.us

For sending general titling inquiries, status updates, and questions.

mhresponse@tdhca.state.tx.us

For emailing responses to our Requests for Additional Information (RAI) . This email address is only for receiving scanned images, **no one reads any emails from this address, nor is there dialogue or responses are made.**

mhelectionperfection@tdhca.state.tx.us

For emailing a copy of a Statement of Ownership and Location, that has been stamped "Filed" by the County Clerk, in order to perfect an election to real property. The only thing that needs to be sent is the actual SOL and/or the attached page with the date stamp.

licensing@tdhca.state.tx.us

For emailing inquiries or scanned images of licensing documents, insurance, and general licensing information.

installations@tdhca.state.tx.us

For emailing inquiries or for scanned images of Installation Reports.



TEXAS DEPARTMENT OF
HOUSING & COMMUNITY AFFAIRS
Manufactured Housing Division

P. O. Box 12489
Austin, TX 78711

Did You Know...

- Only someone who has obtained a permit from the Texas Department of Transportation (TxDOT) can move a manufactured home. You may check on any mover's permit by calling TxDOT's Motor Carrier Division at 1-800-299-1700.
- Only an installer who is licensed by our department may install a manufactured home in Texas. Installers must be bonded, and installations must be warranted.
- Anyone may sell ONE manufactured home in a twelve month period; but to sell more than one, you must be licensed and bonded.
- NEW manufactured homes must be warranted for at least one year to be free from defects in materials or workmanship. USED homes must come with a 60 day warranty that they are "habitable."

About Us...

We are the Manufactured Housing Division of the Texas Department of Housing and Community Affairs. This is what we do:

- License and regulate the people who manufacture, sell, broker, and install manufactured homes;
- Investigate and assist in resolving consumer complaints and problems with our licensees;
- Inspect manufactured homes to be sure they are built and installed properly; and
- Maintain the official state records (called Statements of Ownership and Location) regarding the ownership, location, lien status and status as real property or consumer goods/personal property. These records are handled exclusively by our Austin headquarters staff.

Call us if you have complaints or questions regarding any aspect of manufactured homes. We have inspectors located in field offices around the state, and our Austin headquarters staff is prepared to assist you with any questions you may have.

By making sure that you are dealing with licensed parties and working with us in the event of any questions or problems, you should be able to obtain a well-built, properly installed manufactured home that will serve you well for many years.



To Visit Us:
MHD, 1st Floor
221 East 11th Street
Austin, Texas 78701

Manufactured Housing
Division

Mailing Address:
TDHCA, MHD
P. O. Box 12489
Austin, Texas 78711

Phone: 800-500-7074

Internet: www.tdhca.state.tx.us/mh/index.htm

Consumer Information

IMPORTANT!

Effective September 1, 2003, the traditional manufactured housing title has been replaced with a *Statement of Ownership and Location (SOL)*. It identifies **WHO** owns the home, **WHAT** the home is being declared as (personal property or real property), **WHERE** the home is physically located, and of course, the home information like the serial number, make, model, size, etc.

In the event that you sell or transfer ownership of the home, the SOL **MUST** be updated. It also must be updated if the home is moved, or the home remains subject to property taxes at the old location.

Committee Meetings

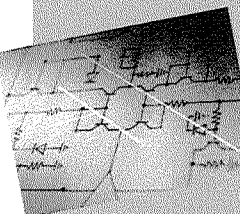


Committee meetings are held in the Austin office of the TDHCA Manufactured Housing Division, located at 221 East 11th Street, Austin, TX 78701.

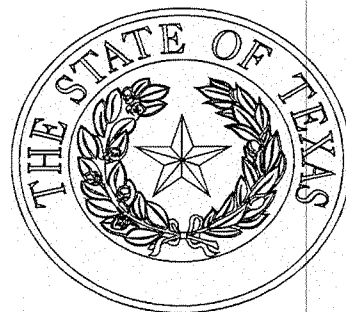
The committee meetings are facilitated by a Department staff member and chaired by a designated chairperson.



Open dialogue is encouraged to gain different perspectives regarding stabilization systems, devices and component, and different installation standards.



The Committee Chair provides a report to the Manufactured Housing Board setting forth each comment and concern over any proposed rules.



Texas Department of Housing and
Community Affairs
Manufactured Housing Division

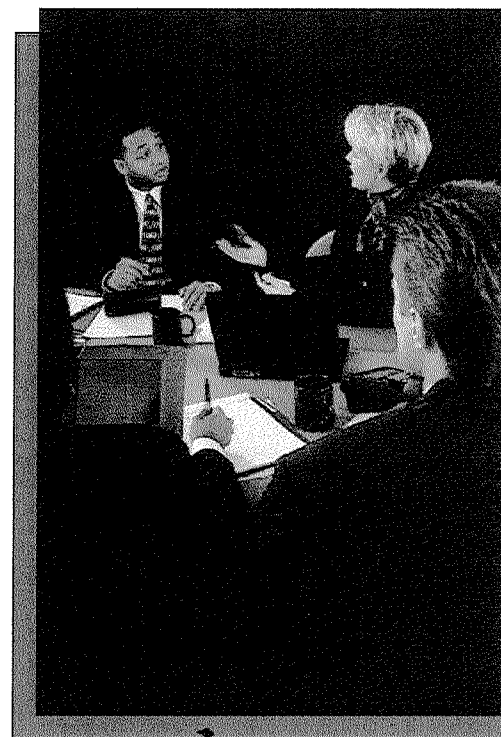
P. O. Box 12489
Austin, TX 78711

Joe A. Garcia
Executive Director



Manufactured
Housing Division

Installation Advisory Committee



Texas Department of Housing and Community Affairs



From the desk of
Joe A. Garcia,
 Executive Director

Participating on any task force for the State of Texas is a great honor.

Should you be interested in serving on the Manufactured Housing Division's Installation Advisory Committee, you'll benefit the manufactured housing industry and the Texas consumer, by helping adopt installation standards which promote safety, structural integrity, and which are economically feasible to prevent or reduce unnecessary increase in costs.

Your volunteerism makes a difference and it would be a privilege to consider you as a prospective Installation Advisory Committee member.

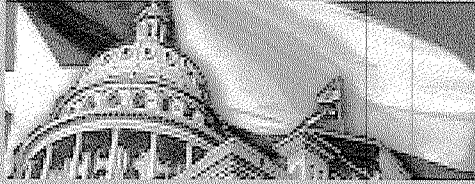
Warmest regards,

Joe

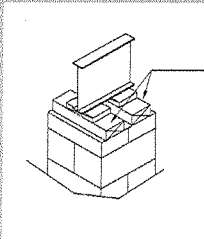
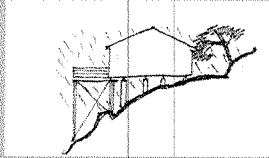
"Coming together, sharing together, working together, succeeding together."

Author Unknown

Legislative Scope



Any generic installation standards promulgated by rule shall first be reviewed by an advisory committee established by the board comprised of representatives of manufacturers, installers, and manufacturers



of stabilization systems or devices, including one or more licensed engineers.

The Installation Advisory Committee shall make a report to the board setting forth each comment and concern over any proposed rules. The members of the committee shall have no personal liability for providing this advice.

How to become a Committee Member

The Installation Advisory Committee is comprised of up to 24 members including manufacturers, retailers, installers, engineers and members of the industry.

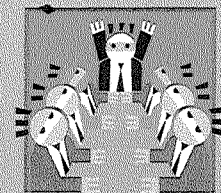
Anyone interested in being appointed to the committee should write the Executive Director for consideration.

Should there be no vacancy on the committee, the interested party will be placed in line for future appointment consideration.

Once a position opens, the party will be notified by the Executive Director.



Committee members serve on a voluntary basis and are replaced if they cannot serve and there are other prospective members awaiting appointment consideration.



ATTACHMENT 5

Attachments Relating to Key Functions, Powers, and Duties

5. A list of studies that the agency is required to do by legislation or riders.

None required.

ATTACHMENT 6

Attachments Relating to Key Functions, Powers, and Duties

- 6. A list of legislative or interagency studies relating to the agency that are being performed during the current interim.**

No studies are currently being performed.

ATTACHMENT 7

Attachments Relating to Key Functions, Powers, and Duties

7. **A list of studies from other states, the federal government, or national groups/associations that relate to or affect the agency or agencies with similar duties.**

None to our Knowledge

ATTACHMENT 8

Attachments Relating to Policymaking Structure

8. Biographical information (e.g. education, employment, affiliations, and honors) or resumes of all policymaking body members.

Michael H. Bray, Chairman, of El Paso has a Bachelor's degree in Marketing from the University of Texas in El Paso, Texas. He is a realtor with Prudential BKB Realtors, El Paso and an instructor at the Academy of Real Estate and a certified mediator at the Rio Grande Council of Governments' Alternative Dispute Resolution Center.

Mr. Bray is president of the El Paso Property Finance Authority and vice-president of the El Paso Housing Finance Corporation. He serves on the Board of Directors of the Texas Association of Realtors and is the chair of their Housing Initiatives Committee. He also serves on the Broker/Lawyer Committee at the Texas Real Estate Commission.

Mr. Bray was appointed to the TDHCA Manufactured Housing Board by Governor Rick Perry on October 13, 2004 replacing Jack Davis and was reappointed to subsequent terms on April 11, 2005. Governor Perry appointed Mr. Bray as presiding officer on April 22, 2008.

Devora Denice Mitchell, of Kermit began her career in finance in 1985 at the Winkler County Credit Union. In 1988, she was promoted to president and Chief Executive Officer of Winkler County Credit Union.

She previously served as president and member of the Wink/Loving Independent School District, as past president of the Kermit Chamber of Commerce, as past president of the Kermit Downtown Lions Club, as past president of the Women's Division of Kermit, and as a member of the board of the Permian Chapter of Credit Unions. She has served on numerous committees for the Texas Credit Union League. At the state level she serves as a representative of the Credit Union Industry on the International Relations Committee, Legislative Affairs Committee, and Education Committee. At the local level she serves as an officer and member of various organizations and committees.

Ms. Mitchell was appointed to the TDHCA Manufactured Housing Board by Governor Rick Perry on June 16, 2008 replacing Valerie Stiers Malone in 2008. She is currently serving on the TDHCA Manufactured Housing Audit Committee.

Pablo Schneider, of Richardson has a Bachelor of Science in Business Administration and a Master of Science from San Diego State University in San Diego, California. He is an alumnus of the Texas Lyceum, Class of 2003. He is an Executive Vice President of Business Development at Fusion Mobile in Austin.

Mr. Schneider was appointed to the TDHCA Manufactured Housing Board by Governor Rick Perry on February 5, 2008 replacing Frances Shannon. Mr. Schneider is currently the Chair of the TDHCA Manufactured Housing Committee.

Sheila M. Vallés-Pankratz, of Mission has a Bachelor of Arts in Government from the University of Texas at Pan American in Edinburg, Texas, and she has a Master of Public Policy and Management with a specialization in Fiscal Administration from Ohio State University in Columbus, Ohio. She began her career as a graduate intern with the Industrial Commission of Ohio currently known as State of Ohio Bureau of Workers Compensation and later worked as a Budget Analyst for the Department of Administrative Services. She has served in numerous budgetary positions within the Ohio government and numerous positions within the Texas education system. She is currently an Executive Vice President of Hollis Rutledge & Associates, Inc.

Ms. Vallés-Pankratz is in her tenth year serving on the Mission Housing Authority Board of Commissioners and is a member of the Mission Library Board. She previously has served as Planning Committee Chair on the Hidalgo & Willacy Local Workforce Development Board and as a member of the Executive Committee.

Ms. Vallés-Pankratz was appointed to the TDHCA Manufactured Housing Board by Governor Rick Perry on November 10, 2008 replacing Kimberly Shambley.

Donnie W. Wisenbaker, of Sulphur Springs has a Bachelor of Science in Education from Texas A&M University– ommerce in Commerce, Texas, and he has advanced graduate studies in Mediation from Southern Methodist University in Dallas, Texas. He began his career in the insurance industry in 1971 while working as an insurance claims adjuster at General Adjusting Bureau in Houston, Texas. After serving as a claims adjuster and claims appraiser manager he became president and owner of Frontier Adjusters, Sulphur Springs, Texas in 2004.

Mr. Wisenbaker serves as a member of the National Equipment and Business Builders (NEBB) Institute.

Mr. Wisenbaker was appointed to the TDHCA Manufactured Housing Board by Governor Rick Perry on October 9, 2008 replacing Carlos Amaral.

ATTACHMENT 9

Attachments Relating to Policymaking Structures

9. A copy of the agency's most recent rules.

Proposed Manufactured Housing Rules for Title 10 Texas Administrative Code Chapter 80. See: <http://tdhca.state.tx.us/mh/docs/preamble-proposed-rules.pdf>

ATTACHMENT 10

Attachments Relating to Funding

- 10. A copy of the agency's Legislative Appropriations Request for FY 2010 – 2011.**

Manufactured Housing Division of TDHCA LAR Performance Measures for FY 2010 to 2011 revised August 6, 2008.

**Manufactured Housing Division of TDHCA
LAR Performance Measures for FY 2010 to 2011**

Prepared: April 2008
Revised: August 6, 2008

Goal 5: Outcome Measures			
Outcomes	Performance Measure	FY10 Target	FY11 Target
Outcome 05-01-01	% of applications processed within the established time frames	100%	100%
Outcome (k) 05-01-02	% of consumer complaint inspections conducted within 30 days	100%	100%
Outcome (k) 05-01-03	% of complaints resulting in disciplinary action	20.0%	20.0%
Outcome 05-01-04	% of documented complaints resolved within six months	75.0%	75.0%
Outcome 05-01-05	Recidivism rate for those receiving disciplinary action	5.0%	5.0%

5.1. SOL and Licensing Services			
Strategy	Performance Measure	FY10 Target	FY11 Target
Output (k) 05-01-01-01	# of manufactured housing SOLs issued	80,000	80,000
Output (k) 05-01-01-02	# of licenses issued	3,100	2,650
Efficiency 05-01-01-01	Average cost per manufactured housing SOL issued	\$25	\$25
Explanatory (k) 05-01-01-01	# of manufactured homes of record in Texas	812,000	820,000

5.2. Inspections			
Strategy	Performance Measure	FY10 Target	FY11 Target
Output (k) 05-01-02-01	# of routine installation inspections conducted	5,000	5,000
Output 05-01-02-02	# of non-routine inspections conducted	2,300	2,300
Efficiency 05-01-02-01	Average cost per inspection	\$150	\$150
Explanatory (k) 05-01-02-01	# of installation reports received	15,000	15,000
Explanatory 05-01-02-02	# of installation inspections with deviations	500	500

**Manufactured Housing Division of TDHCA
LAR Performance Measures for FY 2010 to 2011**

Prepared: April 2008
Revised: August 6, 2008

5.3. Enforcement			
Strategy	Performance Measure	FY10 Target	FY11 Target
Output (k) 05-01-03-01	# of complaints resolved	850	850
Efficiency 05-01-03-01	Average cost per complaint resolved	\$1,800	\$1,800
Efficiency (k) 05-01-03-02	Average time for complaint resolution	180	180
Explanatory (k) 05-01-03-01	# of jurisdictional complaints received	750	750

ATTACHMENT 11

Attachments Relating to Funding

11. A copy of each annual financial report from FY 2006 – 2008.

See TDHCA Attachment 11.

ATTACHMENT 12
Attachments Relating to Funding

12. A copy of each operating budget from FY 2007 – 2009.

Report	Page
FY 2007 TDHCA-MHD Approved Operating Budget.....	2
FY 2008 TDHCA-MHD Approved Operating Budget.....	8
FY 2009 TDHCA-MHD Approved Operating Budget.....	15

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION**



FY 2007 APPROVED OPERATING BUDGET
(September 1, 2006 through August 31, 2007)

July 21, 2006

Prepared by Kassu Asfaw, CFO, Manufactured Housing Division

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION
FY 2007 OPERATING BUDGET**

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Texas Department of Housing and Community Affairs
Historical Budget Analysis
Manufactured Housing Division
For FY 2007 and 2006

Budget Categories	FY 07 Budget (a)	FY 06 Budget (b)	Variance (a-b)	Percentage Change
Salaries and Wages	\$ 2,868,656	\$ 2,780,460	\$ 88,196	3.2%
3 % & 4% Salaries Increase	82,654	106,000	-23,346	-22.0%
Payroll Related Costs	825,000	805,535	19,465	2.4%
Travel In-State	200,000	200,000	0	0.0%
Travel Out-of State	0	0	0	0.0%
Home Owner Consumer Claims (Rider # 18)	100,000	100,000	0	0.0%
Professional Fees	20,000	33,000	-13,000	-39.4%
Materials and Supplies	65,000	65,000	0	0.0%
Repairs/Maintenance	40,000	56,000	-16,000	-28.6%
Printing and Reproduction	60,000	50,000	10,000	20.0%
Rental/Lease	90,000	256,000	-166,000	-64.8%
Membership Dues	500	500	0	0.0%
Registration Fees	500	500	0	0.0%
Texas Online	19,120	14,000	5,120	36.6%
Professional Liability Insurance	13,000	13,000	0	0.0%
Employee Tuition	0	2,500	-2,500	-100.0%
Advertising	200	200	0	0.0%
Freight/Delivery	3,000	4,000	-1,000	-25.0%
Temporary Help	100,000	50,000	50,000	100.0%
Furniture/Equipment	0	26,000	-26,000	-100.0%
Communications/Utilities	130,500	130,500	0	0.0%
Capital Outlay	58,800	10,000	48,800	488.0%
State Office of Risk Management	10,000	10,000	0	0.0%
Subtotal	4,686,930	4,713,195	(26,265)	-0.6%
Indirect Support	490,506	490,048	458	0.1%
Total Manufactured Housing *	\$ 5,177,436	\$ 5,203,243	\$ (25,807)	-0.5%
FTE's	64	64	-	0.0%
Method of Finance:				
General Revenue	119,120	114,000	5,120	4.5%
Appropriated Receipts	4,570,316	4,875,243	(304,927)	-6.3%
Federal Funds	488,000	214,000	274,000	128.0%
Total Method of Finance	\$ 5,177,436	\$ 5,203,243	\$ (25,807)	-0.5%

* NOTE: Breakdowns of the total budget:

- \$ 3,779,276 - Direct Strategies Appropriations to MHD
- \$ 82,654 - An additional direct appropriation request due to 3% salary increase
- \$ 825,000 - Payroll related costs - an indirect appropriation, which is a state-wide allocation by the Comptroller; they are included here for assessment or information purposes
- \$ 490,506 - Administrative Support costs - an indirect appropriation, which is service contract fees with the TDHCA; they are included here for assessment or information purposes

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Operating Budget Allocation to Direct Strategies
 For FY 2007

Description	Expenditures	E.1.1. Titling & Licensing	E.1.2. Installation Inspections	E.1.3. Complaints Enforcement	E.1.4. Texas Online	Total Budget
Salaries and Wages	\$ 2,868,656	966,156	1,006,050	896,450		\$ 2,868,656
3% Salaries Increase	82,654	7,439	38,021	37,194		82,654
Payroll Related Costs	825,000	272,156	291,856	260,988		825,000
Travel In-State	200,000	5,000	105,000	90,000		200,000
Travel Out-of State	0	0	0	0		0
Home Owner Consumer Claims (Rider # 18)	100,000	0	0	100,000		100,000
Professional Fees	20,000	1,800	9,200	9,000		20,000
Materials and Supplies	65,000	5,850	29,900	29,250		65,000
Repairs/Maintenance	40,000	3,600	18,400	18,000		40,000
Printing and Reproduction	60,000	5,400	27,600	27,000		60,000
Rental/Lease	90,000	8,100	41,400	40,500		90,000
Membership Dues	500	45	230	225		500
Registration Fees	500	45	230	225		500
Texas Online	19,120	0	0	0	19,120	19,120
Professional Liability Insurance	13,000	876	6,274	5,850		13,000
Employee Tuition	0	0	0	0		0
Advertising	200	18	92	90		200
Freight/Delivery	3,000	270	1,380	1,350		3,000
Temporary Help	100,000	81,196	9,402	9,402		100,000
Furniture/Equipment	0	0	0	0		0
Communications/Utilities	130,500	11,745	60,030	58,725		130,500
Capital Outlay	58,800	5,292	27,048	26,460		58,800
State Office of Risk Management	10,000	900	4,600	4,500		10,000
\$	4,686,930	1,375,888	1,676,713	1,615,209	19,120	4,686,930

FTEs 29 17 18 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One:	1,375,888	0	1,375,888	1,375,888
Strategy Two:	1,676,713	0	288,000	1,676,713
Strategy Three:	1,615,209	100,000	200,000	1,615,209
Strategy Four:	19,120	19,120	0	19,120
\$	4,686,930	119,120	4,079,810	4,686,930

Indirect Support:

	F.1.1.	F.1.2.	F.1.3.	Total
Financial Administration	179,367	179,367		179,367
Information Resource Technologies	138,486	138,486		138,486
Operating Support	172,653		172,653	172,653
\$	490,506	179,367	172,653	490,506

Method of Finance:

Appropriated Receipts	490,506	179,367	138,486	172,653	490,506
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**Manufactured Housing Division
Revenue Summary and Projections
For FY 2006-07**

FEE TYPE	FY 2007 Projected (c)	FY 2006 Act/Est. (d)	Variance (c-d)	Percentage Change
Training	62,000	62,000	-	0%
SOL - Titles	5,225,000	5,783,000	(558,000)	-10%
Licenses	912,412	912,412	-	0%
Inspections	1,361,000	1,361,000	-	0%
Admin. Penalties	9,620	9,620	-	0%
Public Information	1,600	1,600	-	0%
Reimbursement - HORTF	443,658	443,658	-	0%
Returned Check Charge	30	30	-	0%
	8,015,320	8,573,320	(558,000)	-7%
Federal Funds:				
Floors Shipped	453,960	453,960	-	0
Floors Produced	128,040	128,040	-	0
	582,000	582,000	-	0
Total	\$ 8,597,320	\$ 9,155,320	\$ (558,000)	-6%

** Note: The assumptions for FY 2007 revenues use the actual/estimates for FY 2006 and modified historical trends.*

**Texas Department of Housing and Community Affairs
Manufactured Housing Division
Budget and Expense Status
From September to August
For FY 2006**

Budget Categories	Annual Budget (a)	*1 YTD Act/Est Expenses Sep - Aug (b)	YTD Variance Sep - Aug (a-b)	Remaining Budget As of August
		Salaries and Wages	\$ 2,886,460	2,728,152
Payroll Related Costs	805,535	725,000	80,535	80,535
Travel In-State	200,000	198,000	2,000	2,000
Travel Out-of State	0	0	0	0
Home Owner Consumer Claims (Rider # 18) *2	100,000	653,658	(553,658)	(553,658)
Professional Fees	33,000	20,000	13,000	13,000
Materials and Supplies	65,000	19,407	45,593	45,593
Repairs/Maintenance	56,000	37,000	19,000	19,000
Printing and Reproduction	50,000	35,000	15,000	15,000
Rental/Lease	256,000	175,000	81,000	81,000
Membership Dues	500	400	100	100
Registration Fees	500	500	0	0
Texas Online	14,000	14,000	0	0
Professional Liability Insurance	13,000	13,000	0	0
Employee Tuition	2,500	0	2,500	2,500
Advertising	200	200	0	0
Freight/Delivery	4,000	2,000	2,000	2,000
Temporary Help	50,000	214,000	(164,000)	(164,000)
Furniture/Equipment	26,000	5,000	21,000	21,000
Communications/Utilities	130,500	125,000	5,500	5,500
Capital Outlay	10,000	48,786	(38,786)	(38,786)
State Office of Risk Management	10,000	9,545	455	455
Subtotal	4,713,195	5,023,648	-310,453	(310,453)
Indirect Support	490,048	473,000	17,048	17,048
Total Manufactured Housing *3	\$ 5,203,243	\$ 5,496,648	\$ (293,405)	\$ (293,405)

* 1 YTD expenses column represents actual expenditures from September to June, and projected expenditures from July to August.

* 2 The Consumer Claims payment of \$653,658 has been projected to be reduced by projected reimbursement amount of \$443,658.
The remaining balance of \$210,000 was assumed unrecoverable because several retailers went under.

* 3 Had the negative remaining budget balance of \$293,405 been adjusted by the projected reimbursement amount of \$443,658, it would have had a positive amount of \$150,253.

Exhibit A

**Manufactured Housing
Administrative Support Schedule
Fiscal Year 2007**

Support:	FTE's	Salaries	Payroll Related Costs	Total
Executive Office	0.10	\$ 10,506	\$ 2,416	\$ 12,922
Internal Audit	0.40	22,906	5,268	28,174
Policy and Public Affairs	0.30	16,848	3,875	20,723
Human Resources	0.90	54,618	12,562	67,180
Facilities and Space Management	0.75	35,491	8,163	43,654
Information Systems	1.80	112,590	25,896	138,486
Financial Administration:				
Director, Financial Administration	0.15	14,126	3,249	17,375
Payroll	0.30	17,643	4,058	21,700
Accounting Manager	0.10	8,256	1,899	10,155
Travel	0.30	14,376	3,306	17,682
Payables	0.25	14,903	3,428	18,331
Program Accountant	1.00	51,455	11,835	63,289
Purchasing	0.50	25,069	5,766	30,835
Total Support, Manufactured Housing	6.85	398,787	\$ 91,721	\$ 490,506

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION**



FY 2008 APPROVED OPERATING BUDGET
(September 1, 2007 through August 31, 2008)

July 20, 2007

Prepared by Kassu Asfaw, CFO, Manufactured Housing Division

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION
FY 2008 OPERATING BUDGET**

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Texas Department of Housing and Community Affairs
Historical Budget Analysis
Manufactured Housing Division
For FY 2008 and 2007

Budget Categories	FY 08 Budget (a)	FY 07 Budget (b)	Variance (a-b)	Percentage Change
Salaries and Wages	\$ 3,121,363	\$ 2,868,656	\$ 252,707	8.8%
2 % & 3% Salaries Increase	62,428	82,654	-20,226	-24.5%
Payroll Related Costs	891,461	825,000	66,461	8.1%
Travel In-State	200,000	200,000	0	0.0%
Travel Out-of State	0	0	0	0.0%
Home Owner Consumer Claims (Rider # 13/18)	300,000	100,000	200,000	200.0%
Professional Fees	209,000	20,000	189,000	945.0%
Materials and Supplies	146,790	65,000	81,790	125.8%
Repairs/Maintenance	55,000	40,000	15,000	37.5%
Printing and Reproduction	56,000	60,000	-4,000	-6.7%
Rental/Lease	43,000	90,000	-47,000	-52.2%
Membership Dues	802	500	302	60.4%
Registration Fees	36,978	500	36,478	7295.6%
Texas Online	19,120	19,120	0	0.0%
Professional Liability Insurance	10,000	13,000	-3,000	-23.1%
Employee Tuition	0	0	0	0.0%
Advertising	250	200	50	25.0%
Freight/Delivery	1,500	3,000	-1,500	-50.0%
Temporary Help	100,000	100,000	0	0.0%
Furniture/Equipment	16,500	0	16,500	0.0%
Communications/Utilities	107,000	130,500	-23,500	-18.0%
Capital Outlay	40,625	58,800	-18,175	-30.9%
State Office of Risk Management	10,000	10,000	0	0.0%
Subtotal	5,427,817	4,686,930	740,887	15.8%
Indirect Support	498,552	490,506	8,046	1.6%
Total Manufactured Housing *	\$ 5,926,369	\$ 5,177,436	\$ 748,933	14.5%
FTE's	64	64	-	0%
Method of Finance:				
General Revenue	19,120	119,120	(100,000)	-83.9%
Appropriated Receipts	5,607,249	4,570,316	1,036,933	22.7%
Federal Funds	300,000	488,000	(188,000)	-38.5%
Total Method of Finance	\$ 5,926,369	\$ 5,177,436	\$ 748,933	14.5%

*** NOTE: Breakdowns of the total budget:**

1. \$ 4,473,928 - Total Direct Strategies Appropriations to MHD
2. \$ 62,428 - An additional direct appropriation request due to 2% salary increase, per 80th Legislature
3. \$ 891,461 - Payroll related costs - an indirect appropriation, which is a state-wide allocation by the Comptroller; it's included here for assessment or information purposes
4. \$ 498,552 - Administrative Support costs - an indirect appropriation, which is the service contract fees with the TDHCA; it's included here for assessment or information purposes

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Operating Budget Allocation to Direct Strategies
 For FY 2008

Description	Expenditures	E.1.1. Titling & Licensing	E.1.2. Inspections	E.1.3. Enforcement	E.1.4. Texas Online	Total Budget
Salaries and Wages	\$ 3,121,363	\$ 1,091,284	\$ 1,083,802	\$ 946,277	\$ -	\$ 3,121,363
2 % Salaries Increase	62,428	21,826	21,676	18,926	-	62,428
Payroll Related Costs	891,461	311,671	309,534	270,257	-	891,461
Travel In-State	200,000	7,000	135,100	57,900	-	200,000
Travel Out-of State	0	0	0	0	-	0
Home Owner Consumer Claims (Rider # 13)	300,000	0	0	300,000	-	300,000
Professional Fees	209,000	125,400	43,890	39,710	-	209,000
Materials and Supplies	146,790	84,332	32,825	29,633	-	146,790
Repairs/Maintenance	55,000	20,900	19,250	14,850	-	55,000
Printing and Reproduction	56,000	39,000	2,000	15,000	-	56,000
Rental/Lease	43,000	10,000	23,100	9,900	-	43,000
Membership Dues	802	442	160	200	-	802
Registration Fees	36,978	18,378	10,080	8,520	-	36,978
Texas Online	19,120				19,120	19,120
Professional Liability Insurance	10,000	2,040	5,000	2,960	-	10,000
Employee Tuition	0	0	0	0	-	0
Advertising	250	100	100	50	-	250
Freight/Delivery	1,500	950	500	50	-	1,500
Temporary Help	100,000	97,500	0	2,500	-	100,000
Furniture/Equipment	16,500	12,000	2,800	1,700	-	16,500
Communications/Utilities	107,000	48,893	56,500	1,607	-	107,000
Capital Outlay	40,625	15,438	14,219	10,968	-	40,625
State Office of Risk Management	10,000	3,800	3,500	2,700	-	10,000
	\$ 5,427,817	\$ 1,910,954	\$ 1,764,036	\$ 1,733,707	\$ 19,120	\$ 5,427,817

FTE's 64 29.66 18.47 15.87 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One:	1,910,954	0	0	1,910,954
Strategy Two:	1,764,036	0	100,000	1,764,036
Strategy Three:	1,733,707	0	200,000	1,733,707
Strategy Four:	19,120	19,120	0	19,120
	\$ 5,427,817	\$ 19,120	\$ 300,000	\$ 5,427,817

Indirect Support:

	F.1.1.	F.1.2.	F.1.3.	Total
Financial Administration	190,160	190,160		190,160
Information Resource Technologies	160,696	160,696		160,696
Operating Support	147,696		147,696	147,696
	\$ 498,552	\$ 190,160	\$ 147,696	\$ 498,552

Method of Finance:

Appropriated Receipts	\$ 498,552	\$ 190,160	\$ 160,696	\$ 147,696	\$ 498,552
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**Manufactured Housing Division
Revenue Summary and Projections
For FY 2007-08**

FEE TYPE	FY 2008 Projected (c)	FY 2007 Act/Est. (d)	Variance (c-d)	Percentage Change
Training	38,593	38,593	-	0.0%
SOL - Titles	5,117,415	5,117,415	-	0.0%
Licenses	767,347	767,347	-	0.0%
Inspections	1,341,580	1,341,580	-	0.0%
Admin. Penalties	10,597	10,597	-	0.0%
Public Information	6,422	6,422	-	0.0%
Reimbursement - HORTF	696,721	696,721	-	0.0%
Returned Check Charge	-	-	-	0.0%
	7,978,675	7,978,675	-	0.0%
Federal Funds:				
Floors Shipped	461,532	461,532	-	0.0%
Floors Produced	130,176	130,176	-	0.0%
	591,708	591,708	-	0.0%
Total	\$ 8,570,383	\$ 8,570,383	\$ -	0.0%

** Note: The assumptions for FY 2008 revenues use the actual/estimates for FY 2007 and modified historical trends.*

**Texas Department of Housing and Community Affairs
Manufactured Housing Division
Budget and Expense Status
From September to August
For FY 2007**

Budget Categories	Annual Budget (a)	*1 YTD Act/Est. Expenses Sep - Aug (b)	YTD Variance Sep - Aug (a-b)	Remaining Budget As of August
		Salaries and Wages	\$ 2,951,310	2,773,377
Payroll Related Costs	825,000	695,543	129,457	129,457
Travel In-State	200,000	193,777	6,223	6,223
Travel Out-of State	0	0	0	0
Home Owner Consumer Claims (Rider # 18) *2	100,000	934,455	(834,455)	(834,455)
Professional Fees	20,000	3,357	16,643	16,643
Materials and Supplies	65,000	30,521	34,479	34,479
Repairs/Maintenance	40,000	46,173	(6,173)	(6,173)
Printing and Reproduction	60,000	9,281	50,719	50,719
Rental/Lease	90,000	58,116	31,884	31,884
Membership Dues	500	538	(38)	(38)
Registration Fees	500	2,626	(2,126)	(2,126)
Texas Online	19,120	1,418	17,702	17,702
Professional Liability Insurance	13,000	6,183	6,817	6,817
Employee Tuition	0	0	0	0
Advertising	200	0	200	200
Freight/Delivery	3,000	1,249	1,751	1,751
Temporary Help	100,000	42,993	57,007	57,007
Furniture/Equipment	0	2,945	(2,945)	(2,945)
Communications/Utilities	130,500	105,396	25,104	25,104
Capital Outlay	58,800	8,651	50,149	50,149
State Office of Risk Management	10,000	11,104	(1,104)	(1,104)
Subtotal	4,686,930	4,927,705	-240,775	(240,775)
Indirect Support	490,506	436,789	53,717	53,717
Total Manufactured Housing *3	\$ 5,177,436	\$ 5,364,494	\$ (187,058)	\$ (187,058)

* 1 YTD expenses column represents actual expenditures from September to May, and projected expenditures from June to August.

* 2 The Consumer Claims payment of \$934,455 has been projected to be reduced by actual/projected reimbursement of \$696,721.
The remaining balance of \$237,734 was assumed unrecoverable because of bond depletion and/or receivership.

* 3 Had the negative remaining budget balance of \$187,058 been adjusted for actual/projected reimbursement of \$696,721, it would have had a positive remaining balance of \$509,663.

Exhibit A

**Manufactured Housing
Administrative Support Schedule
Fiscal Year 2008**

	FTE's	Salaries	Payroll Related Costs	Total
Support:				
Executive Office	0.10	\$ 10,716	\$ 2,465	\$ 13,181
Internal Audit	0.40	24,857	5,717	30,574
Policy and Public Affairs	0.30	17,892	4,115	22,007
Human Resources	0.70	41,144	9,463	50,607
Facilities and Space Management	0.60	25,469	5,858	31,327
Information Systems	2.08	130,647	30,049	160,696
Financial Administration:				
Director, Financial Administration	0.15	14,407	3,314	17,721
Payroll	0.30	18,536	4,263	22,799
Accounting Manager	0.10	8,728	2,008	10,736
Travel	0.30	15,103	3,474	18,577
Payables	0.25	15,661	3,602	19,263
Program Accountant	1.00	54,076	12,438	66,514
Purchasing	0.50	28,089	6,461	34,550
Total Support, Manufactured Housing	6.78	\$ 405,325	\$ 93,227	\$ 498,552

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION**



FY 2009 APPROVED OPERATING BUDGET
(September 1, 2008 through August 31, 2009)

June 18, 2008

Prepared by Kassu Asfaw, CFO, Manufactured Housing Division

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION
FY 2009 OPERATING BUDGET**

T A B L E O F C O N T E N T S

Historical Budget Analysis1

Operating Budget Allocation to Direct Strategies2

Revenue Summary and Projections3

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**Texas Department of Housing and Community Affairs
Historical Budget Analysis
Manufactured Housing Division
For FY 2009 and 2008**

A P P R O V E D

Budget Categories	FY 09 Budget (a)	FY 08 Budget (b)	Variance (a-b)	Percentage Change
Salaries and Wages	\$ 3,278,066	\$ 3,121,363	\$ 156,703	5.0%
2 % Salaries Increase For FY '09 & '08	65,561	62,428	3,133	5.0%
Payroll Related Costs	936,216	891,461	44,755	5.0%
Travel In-State	200,000	200,000	0	0.0%
Travel Out-of State	0	0	0	0.0%
Home Owner Consumer Claims (Rider # 13)	300,000	300,000	0	0.0%
Professional Fees	209,000	209,000	0	0.0%
Materials and Supplies	146,790	146,790	0	0.0%
Repairs/Maintenance	55,000	55,000	0	0.0%
Printing and Reproduction	56,000	56,000	0	0.0%
Rental/Lease	55,000	43,000	12,000	27.9%
Membership Dues	802	802	0	0.0%
Registration Fees	36,978	36,978	0	0.0%
Texas Online	19,120	19,120	0	0.0%
Professional Liability Insurance	10,000	10,000	0	0.0%
Employee Tuition	0	0	0	0.0%
Advertising	250	250	0	0.0%
Freight/Delivery	1,500	1,500	0	0.0%
Temporary Help	100,000	100,000	0	0.0%
Furniture/Equipment	12,150	16,500	-4,350	-26.4%
Communications/Utilities	107,000	107,000	0	0.0%
Capital Outlay	32,566	40,625	-8,059	-19.8%
State Office of Risk Management	10,000	10,000	0	0.0%
Subtotal	5,631,999	5,427,817	204,182	3.8%
Indirect Support	512,127	498,552	13,575	2.7%
Total Manufactured Housing *	\$ 6,144,126	\$ 5,926,369	\$ 217,757	3.7%
FTE's	64	64	-	0%
Method of Finance:				
General Revenue	19,120	19,120	-	0.0%
Appropriated Receipts	5,825,006	5,607,249	217,757	3.9%
Federal Funds	300,000	300,000	-	0.0%
Total Method of Finance	\$ 6,144,126	\$ 5,926,369	\$ 217,757	3.7%

*** NOTE: Breakdowns of the total budget:**

- \$ 4,630,222 - Total Direct Strategies Appropriations to MHD
- \$ 65,561 - An additional direct appropriation request due to 2% salary increase, per 80th Legislature
- \$ 936,216 - Payroll related costs - an indirect appropriation, which is a state-wide allocation by the Comptroller; it's included here for assessment or information purposes
- \$ 512,127 - Administrative Support costs - an indirect appropriation, which is the service contract fees with the TDHCA; it's included here for assessment or information purposes

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Operating Budget Allocation to Direct Strategies
 For FY 2009

Description	Expenditures	E.1.1. SOL& Licensing	E.1.2. Inspections	E.1.3. Enforcement	E.1.4. Texas Online	Total Budget
Salaries and Wages	\$ 3,278,066	\$ 1,154,446	\$ 1,136,036	\$ 987,584	\$ -	\$ 3,278,066
2 % Salaries Increase	65,561	23,089	22,721	19,752	-	65,561
Payroll Related Costs	936,216	329,710	324,452	282,054	-	936,216
Travel In-State	200,000	7,000	135,100	57,900	-	200,000
Travel Out-of State	0	0	0	0	-	0
Home Owner Consumer Claims (Rider # 13)	300,000	0	0	300,000	-	300,000
Professional Fees	209,000	125,400	43,890	39,710	-	209,000
Materials and Supplies	146,790	87,982	29,175	29,633	-	146,790
Repairs/Maintenance	55,000	20,900	19,250	14,850	-	55,000
Printing and Reproduction	56,000	39,000	2,000	15,000	-	56,000
Rental/Lease	55,000	12,000	34,240	8,760	-	55,000
Membership Dues	802	442	160	200	-	802
Registration Fees	36,978	18,378	9,730	8,870	-	36,978
Texas Online	19,120	0	0	0	19,120	19,120
Professional Liability Insurance	10,000	2,040	5,000	2,960	-	10,000
Employee Tuition	0	0	0	0	-	0
Advertising	250	100	100	50	-	250
Freight/Delivery	1,500	950	500	50	-	1,500
Temporary Help	100,000	97,500	0	2,500	-	100,000
Furniture/Equipment	12,150	8,000	2,800	1,350	-	12,150
Communications/Utilities	107,000	48,893	56,500	1,607	-	107,000
Capital Outlay	32,566	8,388	7,042	17,136	-	32,566
State Office of Risk Management	10,000	3,800	3,500	2,700	-	10,000
	\$ 5,631,999	\$ 1,988,018	\$ 1,832,196	\$ 1,792,666	\$ 19,120	\$ 5,631,999

FTE's 64 29.66 18.47 15.87 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One	1,988,018	0	1,988,018	1,988,018
Strategy Two	1,832,196	0	1,732,196	1,832,196
Strategy Three	1,792,666	0	1,592,666	1,792,666
Strategy Four	19,120	19,120	0	19,120
	\$ 5,631,999	\$ 19,120	\$ 5,312,879	\$ 300,000

Indirect Support:

	F.1.1.	F.1.2.	F.1.3.	Total
Financial Administration	179,075	179,075		179,075
Information Resource Technologies	174,506	174,506		174,506
Operating Support	158,546		158,546	158,546
	\$ 512,127	\$ 179,075	\$ 174,506	\$ 158,546

Method of Finance:

Appropriated Receipts	\$ 512,127	\$ 179,075	\$ 174,506	\$ 158,546	\$ 512,127
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**Manufactured Housing Division
Revenue Summary and Projections
For FY 2009-08**

FEE TYPE	FY 2009 Projected (c)	FY 2008 Act/Est. (d)	Variance (c-d)	Percentage Change
Training	117,517	117,517	-	0.0%
SOL - Titles	4,356,201	4,356,201	-	0.0%
Licenses	1,197,209	1,197,209	-	0.0%
Inspections	1,284,011	1,284,011	-	0.0%
Admin. Penalties	34,383	34,383	-	0.0%
Public Information	4,600	4,600	-	0.0%
Reimbursement - HORTF	291,862	291,862	-	0.0%
Returned Check Charge	-	-	-	0.0%
	7,285,783	7,285,783	-	0.0%
Federal Fund	570,290	570,290		
Total	\$ 7,856,073	\$ 7,856,073	\$ -	0.0%

** Note: The assumptions for FY 2009 revenues use the actual/estimates for FY 2008 and modified historical trends.*

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Budget and Expense Status
 From September to August
 For FY 2008

Budget Categories	Annual Budget (a)	*1 YTD Act/Est. Expenses Sep - Aug (b)	YTD Variance Sep - Aug (a-b)	Remaining Budget As of August	Remaining Budget Not Used %
Salaries and Wages	\$ 3,183,791	2,903,374	280,417	280,417	8.81%
Payroll Related Costs	891,461	834,085	57,376	57,376	6.44%
Travel In-State	200,000	200,000	0	0	0.00%
Travel Out-of State	0	0	0	0	0.00%
Home Owner Consumer Claims (Rider # 13) *2	300,000	288,873	11,127	11,127	3.71%
Professional Fees	209,000	208,097	903	903	0.43%
Materials and Supplies	146,790	144,404	2,386	2,386	1.63%
Repairs/Maintenance	55,000	50,251	4,749	4,749	8.63%
Printing and Reproduction	56,000	49,983	6,017	6,017	10.74%
Rental/Lease	43,000	38,347	4,653	4,653	10.82%
Membership Dues	802	510	292	292	36.41%
Registration Fees	36,978	33,552	3,426	3,426	9.26%
Texas Online	19,120	17,065	2,055	2,055	10.75%
Professional Liability Insurance	10,000	9,880	120	120	1.20%
Employee Tuition	0	0	0	0	0.00%
Advertising	250	0	250	250	100.00%
Freight/Delivery	1,500	1,424	76	76	5.07%
Temporary Help	100,000	85,325	14,675	14,675	14.68%
Furniture/Equipment	16,500	15,163	1,337	1,337	8.10%
Communications/Utilities	107,000	103,357	3,643	3,643	3.40%
Capital Outlay	40,625	40,525	100	100	0.25%
State Office of Risk Management	10,000	9,478	522	522	5.22%
Subtotal	5,427,817	5,033,693	394,124	394,124	7.26%
Indirect Support	498,552	456,813	41,739	41,739	8.37%
Total Manufactured Housing	\$ 5,926,369	\$ 5,490,506	\$ 435,863	\$ 435,863	7.35%

* 1 YTD expenses column represents actual expenditures from September to April, and projected expenditures from May to August.

Exhibit A

**Manufactured Housing
Administrative Support Schedule
Fiscal Year 2009**

	FTE's	Salaries	Payroll Related Costs	Total
Support:				
Executive Office	0.10	\$ 11,653	\$ 2,680	\$ 14,334
Internal Audit	0.40	26,740	6,150	32,890
Policy and Public Affairs	0.22	18,436	4,240	22,676
Human Resources	0.40	24,410	5,614	30,025
Purchasing and Facilities Management	0.90	47,659	10,962	58,621
Information Systems	2.08	141,875	32,631	174,506
Financial Administration:				
Director, Financial Administration	0.10	10,175	2,340	12,515
Payroll	0.20	12,982	2,986	15,968
Accounting Manager	0.15	14,245	3,276	17,521
Travel	0.50	26,702	6,141	32,843
Payables	0.45	26,329	6,056	32,384
Program Accountant	1.00	55,158	12,686	67,844
Total Support, Manufactured Housing	6.50	\$ 416,364	\$ 95,762	\$ 512,127

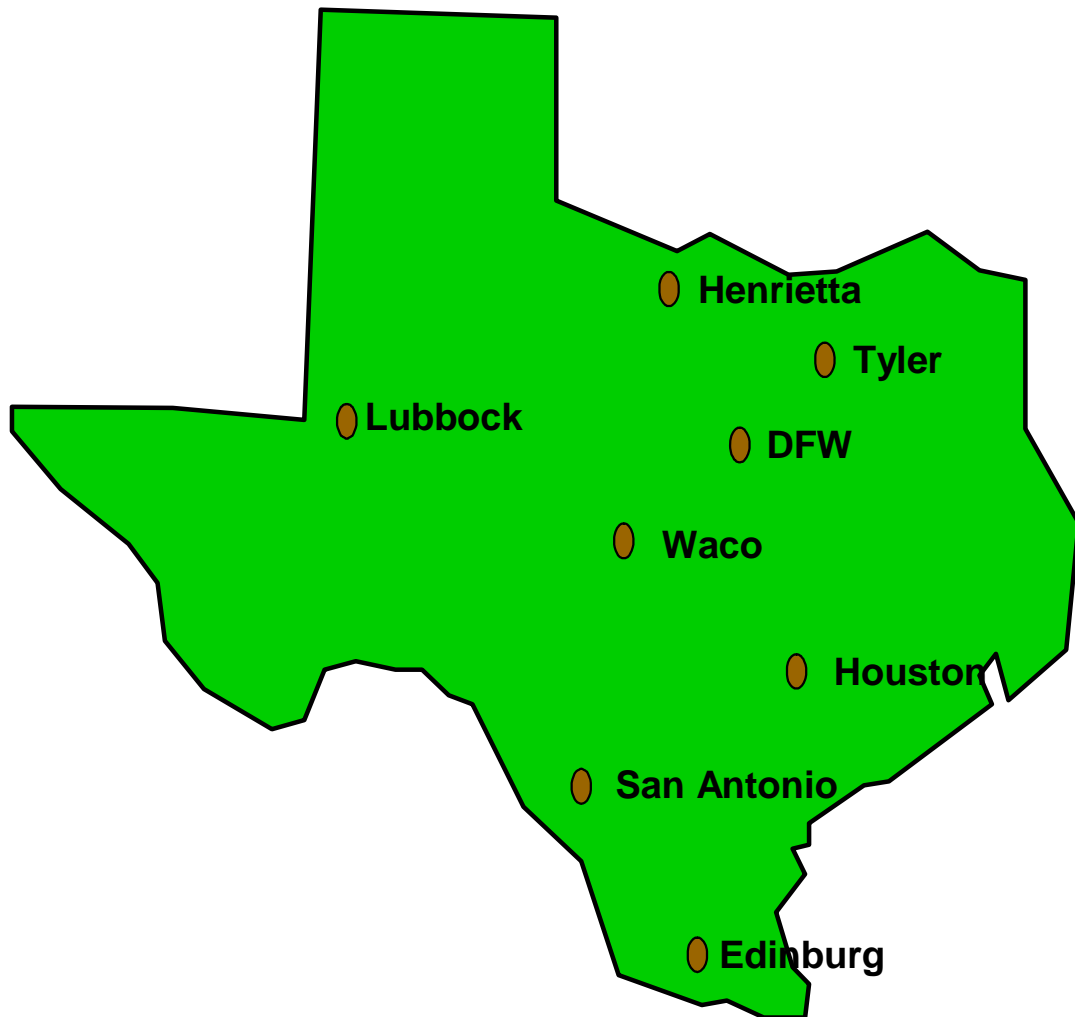
ATTACHMENT 13

Attachments Relating to Organization

13. If applicable, a map to illustrate the regional boundaries, headquarters location, and field or regional office location.

- TDHCA-MHD Field Offices Map.
- TDHCA-MHD Counties by Field Office Map.
- TDHCA-MHD Counties by Field Office List.

Field Offices



Lubbock	DFW	Tyler	Henrietta	Waco	Houston	San Antonio
Andrews	Brown	Anderson	Archer	Bell	Austin	Atascosa
Armstrong	Callahan	Angelina	Baylor	Bosque	Brazoria	Bandera
Bailey	Collin	Bowie	Childress	Burnet	Brazos	Bastrop
Borden	Comanche	Camp	Clay	Coleman	Burleson	Bexar
Brewster	Dallas	Cass	Cooke	Coryell	Chambers	Blanco
Briscoe	Denton	Cherokee	Foard	Falls	Colorado	Caldwell
Carson	Eastland	Delta	Grayson	Freestone	Fort Bend	Comal
Castro	Ellis	Franklin	Haskell	Hamilton	Galveston	Dewitt
Cochran	Erath	Gregg	Hardeman	Hill	Grimes	Edwards
Collingswo	Fannin	Harrison	Jack	Lampasas	Hardin	Fayette
Coke	Hood	Henderson	Knox	Leon	Harris	Frio
Concho	Hunt	Hopkins	Montague	Limestone	Jackson	Gillespie
Crane	Johnson	Houston	Shackelford	Llano	Jasper	Gonzales
Crockett	Kaufman	Lamar	Stephens	Mason	Jefferson	Guadalupe
Crosby	Palo Pinto	Marion	Throckmor	McCulloch	Liberty	Hays
Culberson	Parker	Morris	Wichita	McLennan	Madison	Karnes
Dallam	Rockwall	Nacogdoch	Willbarger	Milam	Matagorda	Kendall
Dawson	Sommerville	Panola	Young	Mills	Montgome	Kerr
Deaf Smith	Tarrant	Rains		Navarro	Newton	Kimble
Dickens	Taylor	Red River		Roberston	Orange	Kinney
Donley	Wise	Rusk		San Saba	Polk	LaSalle
Ector	Lubbock C	Sabine		Williamson	San Jacinto	Lavaca
El Paso	Moore	San Augustine			Tyler	Lee
Fisher	Motley	Shelby			Walker	Live Oak
Floyd	Nolan	Smith			Waller	Maverick
Gaines	Ochiltree	Titus			Washington	Medina
Garza	Oldham	Trinity			Wharton	McMullen
Glasscock	Parmer	Upshur				Real
Gray	Pecos	Van Zandt				Travis
Hale	Potter	Wood				Val Verde
Hall	Presidio				Edinburg	Wilson
Hansford	Randall					Zavala
Hartley	Reagan				Brooks	Aransas
Hemphill	Reeves				Cameron	Bee
Hockley	Roberts				Hidalgo	Calhoun
Howard	Runnels				Jim Hogg	Duval
Hudspeth	Schleicher				Kenedy	Goliad
Hutchinsor	Scurry				Starr	Jim Wells
Irion	Sherman				Willacy	Kieburg
Jeff Davis	Sterling				Zapata	Nueces
Kent	Sutton					Refugio
Lamb	Swisher					San Patricio
Lipscomb	Terrell					Victoria
Loving	Terry					Webb
Lubbock	Tom Green					
Lynn	Upton					
Martin	Ward					
Menard	Wheeler					
Midland	Winkler					
Mitchell	Yoakum					

ATTACHMENT 14

Attachments Relating to Agency Performance Evaluation

- 14. A copy of each quarterly performance report completed by the agency in FY 2006 - 2008.**

FY 2006 – Workload and Performance Report

FY 2007 – Workload and Performance Report

FY 2008 – Workload and Performance Report

REPORTING PERIOD: Sept-05 to Aug-06 (Year-to-Date)

Titling, Licensing & Customer Service (05-01)

Strategy	Performance Measure	Proj FY	Proj Mo	Sep	Oct	Nov	Qtr 1	Dec	Jan	Feb	Qtr 2	Mar	Apr	May	Qtr 3	Jun	Jul	Aug	Qtr 4	Total	% Met
Outcome: 05-01-01	% of applications processed w/in established time frames	100%		100.00%	100.00%	100.00%	100.00%	98.00%	100.00%	100.00%	99.33%	90.00%	96.00%	100.00%	95.33%	88.00%	100.00%	84.00%	90.67%	96.33%	96.33%
Output (k): 05-01-01-01	# of manufactured housing titles issued	89,000	7,417	16,608	15,857	9,049	41,514	3,926	9,754	6,742	20,422	6,987	6,566	8,004	21,557	6,240	5,384	11,021	22,645	106,138	119.26%
Output (k): 05-01-01-02	# of licenses issued	4,435	370	432	332	329	1,093	312	337	367	1,016	501	331	327	1,159	335	251	221	807	4,075	91.88%
Efficiency: 05-01-01-01	Avg cost per manufactured housing title issued	\$20		\$8.12	\$7.35	\$15.84	\$9.51	\$33.51	\$12.67	\$19.19	\$18.83	\$18.00	\$18.63	\$16.80	\$17.75	\$40.69	\$25.57	\$14.07	\$24.14	\$16.10	80.49%
Explanatory (k): 05-01-01-01	# of manufactured homes titled in Texas	767,000					774,159				776,935				779,639				782,885	782,885	102.07%

Inspections (05-02)

Strategy	Performance Measure	Proj FY	Proj Mo	Sep	Oct	Nov	Qtr 1	Dec	Jan	Feb	Qtr 2	Mar	Apr	May	Qtr 3	Jun	Jul	Aug	Qtr 4	Total	% Met
Outcome (k): 05-01-02	% of cons. compl. Insp. conducted w/in 30 days	100%		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Output (k): 05-01-02-01	# of routine installation inspections conducted	8,000	667	350	370	351	1,071	398	405	437	1,240	541	426	428	1,395	422	325	650	1,397	5,103	63.79%
Output: 05-01-02-02	# of non-routine inspections conducted	2,500	208.3	162	192	152	506	111	179	151	441	186	167	165	518	154	140	135	429	1,894	75.76%
Efficiency: 05-01-02-01	Average cost per routine inspection conducted	\$150		\$143.24	\$126.85	\$149.28	\$139.95	\$134.19	\$115.57	\$124.95	\$124.64	\$95.01	\$115.44	\$120.88	\$109.43	\$246.77	\$179.05	\$125.07	\$179.95	\$137.34	91.56%
Explanatory (k): 05-01-02-01	# of installation reports received	20,000	1667	989	1,630	1,277	3,896	1,598	1,012	1,420	4,030	1,781	1,805	1,470	5,056	1,141	968	1,708	3,817	16,799	84.00%
Explanatory (k): 05-01-02-02	# of installation insps with deviations	1,000	83.3	68	70	48	186	33	43	86	162	74	39	72	185	82	36	254	372	905	90.50%

Enforcement (05-03)

Strategy	Performance Measure	Proj FY	Proj Mo	Sep	Oct	Nov	Qtr 1	Dec	Jan	Feb	Qtr 2	Mar	Apr	May	Qtr 3	Jun	Jul	Aug	Qtr 4	Total	% Met
Outcome (k): 05-01-03	% of complaints resulting in disciplinary action	22%		9.38%	6.25%	4.44%	6.94%	0.00%	5.22%	20.43%	9.19%	18.27%	6.25%	18.18%	14.40%	12.16%	16.13%	25.00%	19.22%	13.17%	59.88%
Outcome: 05-01-04	% of documented complaints resolved w/in six months	75%		78.13%	78.13%	68.89%	75.72%	85.94%	61.74%	66.67%	69.12%	75.96%	53.75%	56.06%	63.60%	63.51%	45.16%	54.29%	53.75%	64.17%	85.56%
Outcome: 05-01-05	Recidivism rate for those receiving disciplinary action	5.0%		0.88%	0.88%	0.88%	0.88%	0.88%	0.87%	2.50%	1.42%	3.88%	3.76%	4.96%	4.20%	6.21%	8.50%	9.49%	8.07%	9.49%	189.87%
Output (k): 05-01-03-01	# of complaints resolved	1,700	141.7	64	64	45	173	64	115	93	272	104	80	66	250	74	93	140	307	1,002	58.94%
Efficiency: 05-01-03-01	Average cost per complaint resolved	\$1,200		\$2,304.86	\$1,992.79	\$3,483.16	\$2,495.91	\$2,248.21	\$1,175.67	\$1,521.91	\$1,546.42	\$1,322.56	\$1,672.83	\$2,228.02	\$1,673.69	\$3,752.58	\$1,619.28	\$1,211.86	\$1,947.70	\$1,865.05	155.42%
Efficiency (k): 05-01-03-02	Avg time for complaint resolution	180	15.0	119.0	98.1	151.2	119.6	113.1	195.6	153.2	161.7	160.0	211.1	209.7	189.5	190.3	251.8	233.1	228.4	181.8	101.01%
Explanatory (k): 05-01-03-01	# of jurisdictional complaints received	1,800	150.0	116	79	62	257	146	102	67	315	42	103	49	194	84	60	96	240	1,006	55.89%

REPORTING PERIOD: Sept-06 to Aug-07 (Year-to-Date)

Titling, Licensing & Customer Service (05-01)

Strategy	Performance Measure	Proj FY	Proj Mo	Sep	Oct	Nov	Qtr 1	Dec	Jan	Feb	Qtr 2	Mar	Apr	May	Qtr 3	Jun	Jul	Aug	Qtr 4	Total	% Met	
Outcome: 05-01-01	% of applications processed w/in established time frames	100%		100.00%	96.00%	100.00%	98.67%	62.00%	52.00%	56.00%	56.67%	86.00%	98.00%	100.00%	94.67%	100.00%	100.00%	100.00%	100.00%	100.00%	87.50%	87.50%
Output (k): 05-01-01-01	# of manufactured housing titles issued	89,000	7,417	6,712	6,890	6,762	20,364	5,405	8,756	8,612	22,773	6,013	7,232	7,660	20,905	8,280	7,083	6,630	21,993	86,035	96.67%	
Output (k): 05-01-01-02	# of licenses issued	4,435	370	222	172	174	568	162	183	218	563	205	255	224	684	206	251	330	787	2,602	58.67%	
Efficiency: 05-01-01-01	Avg cost per manufactured housing title issued	\$20		\$20.80	\$17.12	\$19.61	\$19.16	\$23.89	\$13.96	\$15.15	\$16.77	\$18.43	\$19.83	\$17.41	\$18.54	\$13.94	\$17.23	\$24.74	\$18.26	\$18.14	90.72%	
Explanatory (k): 05-01-01-01	# of manufactured homes titled in Texas	780,000					785,672				788,679				791,728				794,641	794,641	101.88%	

Inspections (05-02)

Strategy	Performance Measure	Proj FY	Proj Mo	Sep	Oct	Nov	Qtr 1	Dec	Jan	Feb	Qtr 2	Mar	Apr	May	Qtr 3	Jun	Jul	Aug	Qtr 4	Total	% Met	
Outcome (k): 05-01-02	% of cons. compl. Insp. conducted w/in 30 days	100%		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Output (k): 05-01-02-01	# of routine installation inspections conducted	8,000	667	513	473	392	1,378	312	285	352	949	435	330	403	1,168	402	358	348	1,108	4,603	57.54%	
Output: 05-01-02-02	# of non-routine inspections conducted	2,500	208.3	114	160	112	386	123	144	166	433	195	242	213	650	214	197	220	631	2,100	84.00%	
Efficiency: 05-01-02-01	Average cost per routine inspection conducted	\$150		\$146.90	\$118.16	\$176.02	\$144.40	\$192.87	\$195.84	\$173.37	\$186.60	\$131.88	\$173.36	\$147.25	\$150.63	\$124.41	\$155.10	\$209.90	\$160.84	\$159.01	106.01%	
Explanatory (k): 05-01-02-01	# of installation reports received	20,000	1667	1,685	1,619	1,491	4,795	957	945	884	2,786	1,223	1,389	1,270	3,882	1,445	1,186	869	3,500	14,963	74.82%	
Explanatory (k): 05-01-02-02	# of installation insps with deviations	1,000	83.3	100	81	44	225	33	41	32	106	78	50	51	179	37	41	34	112	622	62.20%	

Enforcement (05-03)

Strategy	Performance Measure	Proj FY	Proj Mo	Sep	Oct	Nov	Qtr 1	Dec	Jan	Feb	Qtr 2	Mar	Apr	May	Qtr 3	Jun	Jul	Aug	Qtr 4	Total	% Met
Outcome (k): 05-01-03	% of complaints resulting in disciplinary action	22%		7.96%	6.78%	18.07%	10.98%	8.62%	7.29%	22.45%	13.49%	33.33%	4.12%	9.41%	12.97%	6.82%	10.58%	17.54%	12.09%	12.36%	56.17%
Outcome: 05-01-04	% of documented complaints resolved w/in six months	75%		62.83%	62.71%	60.24%	61.96%	55.17%	59.38%	54.08%	56.35%	49.12%	54.64%	61.18%	55.65%	65.91%	65.38%	72.81%	68.30%	61.03%	81.37%
Outcome: 05-01-05	Recidivism rate for those receiving disciplinary action	5.0%		18.18%	18.18%	17.20%	17.20%	16.84%	17.17%	17.17%	17.17%	17.00%	16.83%	17.31%	17.31%	17.76%	17.27%	17.24%	17.24%	17.24%	344.83%
Output (k): 05-01-03-01	# of complaints resolved	1,700	141.7	113	59	83	255	58	96	98	252	57	97	85	239	88	104	114	306	1,052	61.88%
Efficiency: 05-01-03-01	Average cost per complaint resolved	\$1,200		\$1,491.36	\$2,412.41	\$1,927.80	\$1,846.52	\$2,686.62	\$1,537.05	\$1,606.40	\$1,828.60	\$2,346.06	\$1,784.47	\$1,893.10	\$1,957.04	\$1,583.41	\$1,416.53	\$1,736.36	\$1,583.68	\$1,790.88	149.24%
Efficiency (k): 05-01-03-02	Avg time for complaint resolution	180	15.0	185.9	181.3	179.8	182.9	219.2	207.2	210.9	211.4	201.3	215.5	193.3	204.2	177.6	194.0	163.5	177.9	193.1	107.29%
Explanatory (k): 05-01-03-01	# of jurisdictional complaints received	1,800	150.0	68	84	41	193	66	56	63	185	52	102	67	221	86	67	93	246	845	46.94%

REPORTING PERIOD: Sept-07 to Aug-08 (Year-to-Date)

SOL & Licensing Services (05-01)																					
Strategy	Performance Measure	Proj FY	Proj Mo	Sep	Oct	Nov	Qtr 1	Dec	Jan	Feb	Qtr 2	Mar	Apr	May	Qtr 3	Jun	Jul	Aug	Qtr 4	Total	% Met
Outcome: 05-01-01	% of applications processed w/in established time frames	100%		88.00%	100.00%	98.00%	95.33%	100.00%	100.00%	90.00%	96.67%	100.00%	94.00%	100.00%	98.00%	98.00%	78.00%	82.00%	86.00%	94.00%	94.00%
Output (k): 05-01-01-01	# of manufactured housing SOLs issued	90,000	7,500	8,006	7,926	6,954	22,886	5,472	4,222	3,089	12,783	4,288	4,768	5,037	14,093	4,608	3,657	4,357	12,622	62,384	69.32%
Output (k): 05-01-01-02	# of licenses issued	4,000	333	205	275	205	685	238	205	290	733	392	466	464	1,322	336	418	107	861	3,601	90.03%
Efficiency: 05-01-01-01	Avg cost per manufactured housing SOL issued	\$20		\$17.15	\$19.02	\$21.18	\$19.02	\$25.81	\$32.24	\$52.41	\$34.36	\$32.73	\$27.08	\$29.30	\$29.59	\$32.86	\$33.14	\$34.15	\$33.39	\$27.46	137.29%
Explanatory (k): 05-01-01-01	# of manufactured homes of record in Texas	801,000					797,947				799,968				803,488				806,544	806,544	100.69%

Inspections (05-02)																					
Strategy	Performance Measure	Proj FY	Proj Mo	Sep	Oct	Nov	Qtr 1	Dec	Jan	Feb	Qtr 2	Mar	Apr	May	Qtr 3	Jun	Jul	Aug	Qtr 4	Total	% Met
Outcome (k): 05-01-02	% of cons. compl. Inspns conducted w/in 30 days	100%		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Output (k): 05-01-02-01	# of routine installation inspections conducted	6,000	500	279	341	384	1,004	281	416	342	1,039	296	281	204	781	144	140	524	808	3,632	60.53%
Output: 05-01-02-02	# of non-routine inspections conducted	2,200	183.3	274	245	173	692	94	230	186	510	244	292	239	775	114	114	89	317	2,294	104.27%
Efficiency: 05-01-02-01	Average cost per routine inspection conducted	\$150		\$153.90	\$134.06	\$148.65	\$144.75	\$183.40	\$111.91	\$168.47	\$149.02	\$150.54	\$139.27	\$199.36	\$160.42	\$320.86	\$263.91	\$137.40	\$209.23	\$162.09	108.06%
Explanatory (k): 05-01-02-01	# of installation reports received	20,000	1667	873	1,574	1,182	3,629	859	1,113	514	2,486	1,427	876	1,400	3,703	1,697	914	1,555	4,166	13,984	69.92%
Explanatory: 05-01-02-02	# of installation inspns with deviations	800	66.7	45	43	40	128	34	26	28	88	23	22	14	59	10	10	101	121	396	49.50%

Enforcement (05-03)																					
Strategy	Performance Measure	Proj FY	Proj Mo	Sep	Oct	Nov	Qtr 1	Dec	Jan	Feb	Qtr 2	Mar	Apr	May	Qtr 3	Jun	Jul	Aug	Qtr 4	Total	% Met
Outcome (k): 05-01-03	% of complaints resulting in disciplinary action	15%		14.46%	19.75%	4.55%	13.48%	16.39%	23.61%	16.92%	19.19%	16.98%	34.29%	0.00%	17.50%	2.84%	0.00%	4.35%	2.75%	12.08%	80.53%
Outcome: 05-01-04	% of documented complaints resolved w/in six months	75%		79.52%	58.02%	66.67%	68.26%	78.69%	79.17%	81.54%	79.80%	81.13%	82.86%	75.00%	80.00%	90.91%	66.67%	73.91%	84.71%	78.08%	104.11%
Outcome: 05-01-05	Recidivism rate for those receiving disciplinary action	5.0%		22.47%	23.71%	23.23%	23.23%	24.07%	22.61%	21.31%	21.31%	21.31%	22.22%	22.22%	22.22%	22.05%	22.05%	21.71%	21.71%	21.71%	434.11%
Output (k): 05-01-03-01	# of complaints resolved	1,250	104.2	83	81	66	230	61	72	65	198	53	35	32	120	176	33	46	255	803	64.24%
Efficiency: 05-01-03-01	Average cost per complaint resolved	\$1,800		\$1,512.19	\$1,701.27	\$2,039.85	\$1,730.19	\$2,116.60	\$1,728.69	\$2,277.09	\$2,028.23	\$2,421.05	\$3,372.32	\$4,216.74	\$3,177.35	\$786.67	\$3,357.83	\$2,957.22	\$1,510.96	\$1,950.32	108.35%
Efficiency (k): 05-01-03-02	Avg time for complaint resolution	180	15.0	129.5	177.4	184.7	162.2	127.4	150.0	108.4	129.4	130.5	114.1	152.6	131.6	71.8	166.9	136.9	95.9	128.5	71.37%
Explanatory (k): 05-01-03-01	# of jurisdictional complaints received	1,200	100.0	41	75	42	158	35	51	65	151	47	61	178	286	37	65	34	136	731	60.92%

ATTACHMENT 15
Attachments Relating to Agency Performance Evaluation

- 15. A copy of any recent studies on the agency or any of its functions conducted by outside management consultants or academic institutions.**

None.

ATTACHMENT 16
Attachments Relating to Agency Performance Evaluation

16. A copy of the agency's current internal audit plan.

See TDHCA Attachment 16.

ATTACHMENT 17

Attachments Relating to Agency Performance Evaluation

17. A copy of the agency's current strategic plan.

See TDHCA Attachment 17.

ATTACHMENT 18

Attachments Relating to Agency Performance Evaluation

- 18. A list of internal audit reports from FY 2005 – 2009 completed by or in progress at the agency.**

Internal Audit Report dated May 31, 2007.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

May 31, 2007

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS

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Shadrick Bogany
C. Kent Conline
Sonny Flores
Gloria Ray
Norberto Salinas

To the Governing Board of the Manufactured Housing Division of the
Texas Department of Housing and Community Affairs:

Re: Internal Auditing Report on the Manufactured Homeowner's Recovery Trust Fund

The Internal Auditing Division has completed its audit of the Manufactured Homeowner's Recovery Trust Fund (HORTF). The Texas Department of Housing and Community Affairs (Department) Manufactured Housing Division (MHD) administers the processing of claims on the HORTF and prepares necessary documentation to support disbursement of HORTF claims ensuring controls over disbursements provide reasonable assurance each payment is appropriately supported, authorized and in compliance with applicable laws and regulations. However, audit exceptions were noted relating to the completeness and accuracy of the HORTF program management information system designed to provide reasonable assurance surety reimbursements are properly billed and collected in a timely manner.

Accounting records need to be established and maintained to account properly for the HORTF transactions and balances by appropriation and method of finance. The records should be maintained on a current, accurate basis as HORTF payment are processed in order to enable the MHD to assess the status of HORTF claims processed and appropriated funds available.

The program information system is designed to track the status of a complaint from the time it is identified as a matter subject to payment from the HORTF through disbursement and resolution of the claim and final collection or charge-off of any recovery from a surety bond or other security. The system prompts the HORTF Administrator to take necessary actions to provide reasonable assurance other control and HORTF objectives are satisfied. However, standard operating policies and procedures (SOPs) need to be updated and quality control procedures established to provide reasonable assurance staff performs as intended by management and the program information system is complete and accurate. The SOPs should also provide sufficient guidance and detail for the MHD's chief financial officer (CFO) to account for and report on HORTF transactions, balances and related matters.

Management is in general agreement with the report's recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "David Gaines".

David Gaines, CPA, CISA
Director of Internal Auditing

Assigned to this audit:
Colleen Bauer

cc: Mr. Tim Irvine, Executive Director of TDHCA Manufactured Housing Division

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An Internal Audit Report on the Homeowners Recovery Trust Fund

Background

HORTF

Appropriations and funds available to satisfy Homeowner's Recovery Trust Fund claims are commonly referred to as the "HORTF," and while there is not an actual trust fund as discussed below, these matters will be referred to as the HORTF throughout this report.

Creation, Enabling Statutes, and Purpose

The HORTF was first introduced by the 70th Texas Legislature, Manufactured Housing Standards Act, Section 13A of Article 5221f, Vernon's Texas Civil Statutes. This legislative enactment set aside \$1 million dollars to be used to satisfy consumers who had sustained actual damages from specified unsatisfied claims or unsatisfied judgments against licensed manufacturers, retailers, brokers, or installers of manufactured homes, hereafter referred to as a "HORTF claim." The article required \$10 of the titling fee on each manufactured home collected by the Department to be deposited to the HORTF.

The 78th Legislature codified V.T.C.S. Art. 5221f as Tex. Occ. Code, Chapter 1201, and the provisions relating to the HORTF are now found at Tex. Occ. Code, §1201.451, *et seq.*

The 74th Legislature passed HB 3050; amending Section 403.095 of the Government Code effective September 1, 1995, and consolidating the HORTF into the State's General Revenue Fund. Fees for Statements of Ownership and Location (SOL), which replaced titling fees, are now deposited to the General Revenue Fund. Accordingly, the HORTF has been limited (other than surety reimbursements) to funds appropriated since that time.

Tex. Occ. Code, § 1201.406 requires a consumer, in order to recover from the HORTF, to file a written complaint in the form required by the director not later than the second anniversary of the date of the alleged act or omission causing the actual damages or the date the act or omission is discovered or should reasonably have been discovered.

Most claims relate to issues with warranty work, consumer deposits not returned, unaddressed liens, including tax liens on manufactured housing purchased by the consumer, and final judgments entered by the courts. A claim involving warranty work must be made on the responsible party within the warranty period in order for HORTF to cover the damages. The warranty period for new homes is during the first year after closing and for used homes is a 60-day habitability warranty.

Financing of HORTF

Funds to pay HORTF claims are appropriated from SOL issuance fees deposited in the State's General Revenue Fund. Ten dollars of each SOL transaction (up to the total annual appropriation of \$100,000) are deposited to that fund and available for payment of HORTF claims. Surety reimbursements from bonds purchased by licensees are also deposited to the General Revenue Fund and are appropriated and available for payment of HORTF claims. To the extent the HORTF appropriations and surety reimbursements are not sufficient to finance the HORTF claims, the MHD uses enforcement appropriations. The Executive Director clarified the authority to use the enforcement appropriations with appropriate representatives of the Legislative Budget Board and Office of the State Comptroller in May 2006.

Prior to becoming licensed, a licensee (other than a salesperson) is required to obtain a surety bond (or provide other security) in the prescribed form used to reimburse HORTF for payments made to cover consumer claims paid from the HORTF. An applicant for an initial or renewal license must, by law, file and maintain a bond (or other security) in the following amounts:

- \$100,000 for a manufacturer
- \$50,000 for a retailer
- \$30,000 for a rebuilder
- \$20,000 for a broker
- \$10,000 for an installer

Licenses are required to replenish their bonds while they are licensed. However, once a license is abandoned, the bonds are not replenished and are subject to depletion. The CFO reports in the table below that claim payments exceeded the combined appropriated GR and bond reimbursements by \$399,347 in fiscal year 2006, and reports a deficit for fiscal year 2007.

The HORTF requests for payment (disbursements) are submitted through the Department's Accounting Operations section of the Financial Administration Division (Accounting) to the Comptroller of Public Accounts that issues state warrants for the payment. The CFO provided the table below, which is a summary of the method of finance and claim payments for FY 2005, FY 2006, and FY 2007 through March 31, 2007.

	Fiscal Year End			Total
	8/31/05	8/31/06	FY 2007 thru March 31, 2007	
Method of Finance/Sources				
Appropriations	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000
Bond Reimbursements	433,002	261,777	458,289	1,153,068
Subtotal	533,002	361,777	558,289	1,453,068
Uses of Funds				
Claim Payments	382,353	761,124	574,400	1,717,877
Sources in Excess/(deficient) of Uses	\$ 150,649	\$ (399,347)	\$ (16,111)	\$ (264,809)
<i>Source: CFO and USAS</i>		<i>(Unaudited)</i>		

Organization

The Consumer Protection Section of the MHD administers the HORTF.

Achievements

The administration of HORTF was assumed by the current HORTF Administrator in February 2006. Since assuming the position, the Administrator has achieved several accomplishments, which enhance the administration and control of the HORTF to help ensure the program is delivered effectively and as intended by management. Achievements include the following:

- Development of an Investigator Referral Standard Form to initiate the transfer of a complaint to the HORTF section.
- Enhancements to the HORTF Control Spreadsheet to include documentation of the current complaint status of each claim throughout the HORTF process, tracking of letters to surety companies for overdue bond reimbursements, and tracking of letters to the Office of Attorney General, Bankruptcy and Collection Division (OAG) seeking recovery of overdue surety reimbursements.

- Development of an Accounting Transmittal Letter for MHD to document when a claim has been transferred to the Department's Accounting section, and for Accounting to document the date the claim was received and forwarded to the Comptroller of Public Accounts for the issuance of a payment warrant.
- Development of a program receivable ledger that identifies, by specific claim and in total, the amount of surety company reimbursements received and outstanding.
- Development of daily notices through Microsoft Outlook of letters to be sent and of surety reimbursements not received.

Executive Summary

Overall Conclusions

The MHD administers the processing of HORTF claims and prepares necessary documentation to support disbursement of HORTF claims ensuring controls over disbursements provide reasonable assurance each payment is appropriately supported, authorized and in compliance with applicable laws and regulations. The HORTF requests for payment (disbursements) are submitted through Accounting to the Comptroller of Public Accounts that issues state warrants for the payment.

Audit exceptions were noted relating to the completeness and accuracy of the HORTF program management information system designed to provide reasonable assurance surety reimbursements are properly billed and collected in a timely manner. Additionally, the receivable-related financial data captured in the information system does not agree with, nor is reconciled to, the accounting records to ensure completeness and accuracy of the system.

The program information system is designed to track the status of a complaint from the time it is identified as a matter subject to payment from the HORTF through disbursement and resolution of the claim and final collection or charge-off of any recovery from a surety bond or other security. The system prompts the HORTF Administrator to take necessary actions to provide reasonable assurance other control and HORTF objectives are satisfied. However, SOPs need to be updated and quality control procedures established to provide reasonable assurance staff performs as intended by management and the program information system is complete and accurate. The SOPs should also provide sufficient guidance and detail for the CFO to account for and report on HORTF transactions, balances and related matters.

A separate accounting of HORTF transactions and balances by appropriation and method of finance is not maintained. Accordingly, the method of finance and balance of available HORTF appropriations are not readily known as HORTF payments are processed. While the MHD may be able to determine that all payments (including, but not limited to, HORTF payments) are within its overall appropriations, it does not have adequate procedures in place to assure that HORTF payments are not taking away from funds that the MHD relies upon to carry out non-HORTF aspects of that strategy.

Key Points

The MHD administers the processing of HORTF claims and prepares necessary documentation to support disbursement of HORTF claims ensuring controls over disbursements provide reasonable assurance each payment is appropriately supported, authorized and in compliance with applicable laws and regulations.

- The Executive Director, before authorizing any party performing re-assigned warranty work to proceed, requires a warranty work bid or estimate, and appropriate MHD approvals. The Director requires the warranty work bid or estimate or other justification such as warranty work invoices and a staff certification of completed warranty work for payment of a HORTF claim. In the case of non-warranty HORTF claims, the Director requires other forms of proof of payment or loss by the consumer such as cancelled checks for lost deposits and tax notices for delinquent taxes.
- Authorizations include appropriate review and approval of documentation by appropriate staff, with the Executive Director providing final approval of a HORTF claim before payment by Accounting.
- Controls are in place to provide reasonable assurance HORTF claims comply with applicable law, regulation and rule, and the payment of actual damages relates to one or

more of the statutorily eligible matters and is limited to the amount of actual, reasonable costs, within statutory limitations.
(Section 1)

The HORTF Control Spreadsheet, a component of the HORTF program management information system, captures sufficient information to assess the status of receivables from surety companies for HORTF claim payments, provides reasonable assurance surety reimbursements are properly billed and collected, and is used as a "reimbursement anticipation" tool for surety reimbursements due to HORTF. However, audit exceptions relating to the completeness and accuracy of the spreadsheet were noted. Additionally, the receivable-related financial data captured on the spreadsheet cannot be reconciled to the accounting records to ensure the completeness and accuracy of the spreadsheet and accounting records. (Section 2-A)

Controls are designed to provide reasonable assurance demand letters are sent to the surety companies claiming reimbursement of payments made to satisfy HORTF claims; however, the controls are not being effectively applied as intended. Letters sent to the sureties and HORTF claims referred to the OAG are either not being consistently processed or not being processed in a timely manner. (Section 2-B)

A separate accounting of HORTF transactions and balances by appropriation and method of finance is not maintained. To the extent the HORTF appropriations and surety reimbursements are not sufficient to finance the HORTF claims, the MHD may use enforcement appropriations. While the MHD may be able to determine that all payments (including, but not limited to, HORTF payments) are within its overall appropriations, it does not have reasonable procedures in place to assure that HORTF payments made from appropriated receipts under the Enforcement strategy are not taking away from funds that MHD relies upon to carry out non-HORTF aspects of that strategy. (Section 3)

Lack of quality control procedures resulted in numerous posting errors and incomplete data fields to the HORTF program records that preclude an accurate assessment of the status of a HORTF claim against a licensee and may preclude achieving objectives such as:

- Processing HORTF claims in the order in which they are received.
- Properly notifying consumers their claims are being processed.
- Assurance surety companies are billed for HORTF claim reimbursements.
- Prompt collection of surety companies' reimbursements.
- Assurance HORTF claim reimbursements are received.

(Section 5-A)

MHD's SOPs for Consumer Protection staff to direct and properly administer the daily operations related to a HORTF claim are currently out of date. (Section 6)

Summary of Recommendations

We recommend the CFO work in coordination with the HORTF Administrator on a regular basis, no less than monthly, to ensure transactions affecting the surety receivable balance are properly accounted for in both the HORTF program records and in the accounting records. (Section 2-A)

We recommend formal policies and procedures be established and complied with to ensure bonding companies are promptly billed for HORTF claim reimbursements, collection efforts are pursued timely by referring all unsatisfied claims to the OAG, and uncollectible claims be accounted for and reported correctly. (Section 2-B)

We recommend the CFO establish a separate accounting of HORTF transactions and balances by appropriation and method of finance to account for HORTF claim payments, the methods of financing the payments, and any balances of HORTF fund appropriations and surety reimbursements available to process HORTF claims. We recommend the methodology employed be consistent with the methods employed by the Department's Accounting Section, and the information be provided to the HORTF Administrator on a current basis. *(Section 3)*

We recommend the MHD establish a quality control function to provide reasonable assurance the postings to the program records used to administer HORTF claims are accurate and complete *(Section 5-A)*. We also recommend the quality control function provide reasonable assurance of achieving the objectives of ensuring transactions affecting the surety receivable balances are properly accounted for *(Section 2-A)*, and bonding companies are promptly billed for HORTF claim reimbursements, collection efforts are timely, and uncollectible claims are accounted for *(Section 2-B)*.

We recommend the MHD update its formal SOPs to align with actual procedures in place, applicable laws, regulations, and rules, and the policies of management and the MHD Governing Board (Board). We recommend the SOPs be designed to promote the conduct of authorized activities in an effective, efficient, and economical manner, providing a satisfactory degree of assurance that unacceptable risks facing the MHD are being identified and adequately controlled. *(Section 6)*

Summary of Management Response

Management agrees with the recommendations in this report.

Findings and Recommendations

Section 1

Controls Over Disbursements Are Adequate

The Department's MHD administers the processing of claims on the HORTF and prepares necessary documentation to support disbursement of HORTF claims ensuring controls over disbursements provide reasonable assurance each payment is appropriately supported, authorized and in compliance with applicable laws and regulations.

Controls provide reasonable assurance claims are adequately supported

The following documentation is necessary, when applicable, to support a HORTF disbursement:

- Certification of Warranty Work Estimate (Warranty work bid or estimate and required MHD approvals).
- Certification of Completed Warranty Work.
- Other forms of proof of payment or loss by the consumer such as cancelled checks for deposits that were not refunded as required and tax notices for delinquent taxes.

10 Tex. Admin. Code § 80.133 requires, "The Director, before authorizing any party performing re-assigned warranty work to proceed, will require an estimate be submitted, itemizing the hourly cost of labor required, the estimated time to complete the work, the itemized costs of any material, equipment, and supplies, and such additional out-of-pocket expenses as the licensee believes it will incur. If the required estimate is not submitted and approved prior to the commencement of re-assigned warranty work, the party performing the work may not be reimbursed for that work until the Director has been provided with evidence, such as warranty work invoices, establishing that the amount billed was justifiable in all respects."

Controls provide reasonable assurance claims are adequately authorized.

The estimates of warranty work are reviewed for reasonableness and approved by the Field Manager, the Supervisor of Consumer Protection and the Executive Director. Completed warranty work is certified as acceptable by the Field Manager and Executive Director prior to payment. The Executive Director approves a memorandum, which is delivered to the Department's Accounting Section with the required documentation authorizing payment for all HORTF claims. The Executive Director returns the entire claim package with the memorandum to the HORTF Administrator for posting to the program records and copying and delivering documentation to the Accounting Section.

Controls provide reasonable assurance claims comply with applicable laws and regulations.

The MHD determines whether each claim submitted is HORTF eligible, and payment of actual damages and other covered costs complies with statutory limitations. Controls are in place to provide reasonable assurance the payment of actual damages relates to one or more of the statutorily eligible matters and is limited to the amount of actual, reasonable costs, not including attorney's fees, the consumer has incurred or will incur to resolve the act or omission found to be a

violation up to \$35,000. Attorney's fees and costs, if any, are limited to 20 percent of the amount of actual damages.

Section 2

Improve Controls Over Surety Reimbursements

Tex. Occ. Code, § 1201.409, requires the HORTF be reimbursed (subject to the limitation of available coverage) by the surety or from other security for the amount of a claim paid out of the HORTF by the Executive Director to a consumer resulting from an act or omission of the license holder who filed the bond or other security. Demand letters are sent to the bonding company requesting a reimbursement be made no later than the 30th day after the date of receipt of notice a consumer claim has been paid. Overdue letters are sent out if a reimbursement is not received within five days following the end of the 30-day period. If reimbursements to the HORTF are not made by the surety in a timely manner, the MHD refers the claim to the OAG to pursue collection including filing suit for recovery of the amount due to the HORTF.

Section 2-A

Improve Controls Over Surety Bond Receivables

The HORTF Control Spreadsheet, a component of the HORTF program management information system, captures sufficient information to assess the status of receivables from surety companies for HORTF claim payments, provides reasonable assurance surety reimbursements are properly billed and collected, and is used as a "reimbursement anticipation" tool for surety reimbursements due to HORTF. However, audit exceptions relating to the completeness and accuracy of the spreadsheet were noted. Additionally, the receivable-related financial data captured on the spreadsheet cannot be reconciled with the accounting records to ensure the completeness and accuracy of the spreadsheet and accounting records.

The Administrator uses the HORTF Control Spreadsheet to track the status of a complaint from the time it is identified as a matter subject to payment from the HORTF through disbursement and resolution of the claim and final collection or charge-off of any recovery from a surety bond or other security. However, instances were noted of the lack of timeliness in taking certain actions or the lack of documentation, as discussed further in Section 2-B below. Additionally, the spreadsheet may not be operating effectively due to the inconsistent posting of data fields. The following table summarizes the results of audit tests of data fields relating to billing surety companies and collecting reimbursement that had not been posted.

Attribute Tested	Sample items tested	Number of Exceptions Noted	Comments
Date of Demand letter (Billing to Surety)	24	10	Dates not posted.
Date of Overdue letter (2 nd billing to Surety)	17	5	Dates not posted.
Date of Reimbursement	8	1	Date not posted.
Amount of Reimbursement	8	1	Amount not posted.

Reimbursements posted to the HORTF Control Spreadsheet from September 1, 2006, through March 31, 2007, were \$55,805 less than reimbursements received and posted by the Department's Accounting Section to the Uniform Statewide Accounting System. While there may be timing

differences and other reasonable explanations for the differences, documentation of the differences and reasons for them are not readily available without regular reconciliations between the spreadsheet and accounting records.

While the design of the spreadsheet provides for the capture of the necessary information to assess the status of receivables from surety companies relating to reimbursement for HORTF claim payments and provides reasonable assurance surety reimbursements are properly billed, the lack of adequate quality control procedures result in incomplete and inaccurate postings to data fields. Management also risks incomplete and inaccurate program accounting data posted to the spreadsheet in the absence of reconciling HORTF disbursements and reimbursements with the accounting records. Addressing these deficiencies will improve the reliability of the spreadsheet and help provide reasonable assurance the HORTF Control Spreadsheet is complete and accurate and surety reimbursements due on HORTF claims are, in fact, received.

While it is important to have adequate controls in place to provide reasonable assurance of the completeness and accuracy of the Control Spreadsheet, there are inherent difficulties in providing assurance. Each billed payment relates to a specific surety bond and is billed as an individual payment under the coverage of that bond. However, sureties do not always remit payments on the same basis. A given payment may include reimbursements for multiple claims, including claims under different surety bonds and even claims made at different times. Moreover, when these payments are sent to the MHD, they are received in a separate area and posted. Therefore, MHD does not have access to the necessary data to facilitate timely posting and reconciliation to the related billings.

Recommendation

We recommend the CFO work in coordination with the HORTF Administrator on a regular basis, no less than monthly, to ensure transactions affecting the surety receivable balance are properly accounted for in both the HORTF program records and in the accounting records. We also recommend a quality control function and SOPs in Section 5-A and Section 6 below to provide reasonable assurance of complete and accurate program records.

Management's Response

MHD Management agrees with this recommendation.

Target Date for Completion – September 1, 2007

Section 2-B

Improve Procedures to Ensure That MHD Will Seek HORTF Claim Reimbursements in a Timely Manner

Controls are designed to provide reasonable assurance demand letters are sent to the sureties claiming reimbursement of payments made to satisfy HORTF claims. When 30 days have passed from the date of the demand letter and the reimbursement has not been received, the MHD sends out an overdue letter stating the claim is being sent to the OAG for collection. Files are forwarded to the OAG 14 days after the "overdue" letter is sent to the surety. Although the controls are adequately designed, they are not being effectively applied as intended.

Letters sent to the surety companies claiming reimbursement and HORTF claims referred to the OAG are either not being consistently processed or are not being processed in a timely manner. Delays in requesting the reimbursement or pursuing advanced collection efforts may result in

insufficient funds to process future claims and backlogs of claims to be paid. Delays also reduce the likelihood of ultimate collection.

The following table summarizes the results of tests performed to determine the timeliness and existence of documentation supporting claims against sureties, and whether the pursuit of advanced collections efforts is adequate.

Attribute Tested	Sample items tested	No. of Exceptions Noted	Comments
Timeliness of Demand Letter	24	2	Not timely (within 5 days of claim payment).
Existence of Overdue Letters	19	2	Letters not located in files.
Timeliness of Overdue Letters	19	10	Not timely (within 35 days of demand letter).
Files forwarded to OAG for Collection	13	7	Not timely (within 14 days of overdue letter).
Files forwarded to OAG for Collection	13	5	Not forwarded to OAG.

Recommendation:

We recommend formal policies and procedures be established and complied with to ensure bonding companies are promptly billed for HORTF claim reimbursements, collection efforts are pursued timely by referring all unsatisfied claims to the OAG, and uncollectible claims be accounted for and reported correctly.

Management's Response

MHD Management agrees with this recommendation. HORTF personnel began drafting SOPs over a month ago and they are currently in development with a targeted completion date of September 1, 2007. As new forms and procedures are devised, they are being implemented after being reviewed with management and these improvements will be incorporated in the revised SOPs.

Target Date for Completion - September 1, 2007

Section 3

Establish Separate Accounting for HORTF Transactions and Balances

A separate accounting of HORTF transactions and balances by appropriation and method of finance is not maintained.

Prior to September 1, 1995, HORTF claims were financed by title transaction fees appropriated to a separate account in the State Treasury. However, the fund and fund balances were consolidated into the State's General Revenue Fund by the enactment of HB 3050, 74th Legislature, effective August 31, 1995.

Currently, unsatisfied manufactured housing consumer claims are financed from appropriated SOL issuance fees deposited in the State's General Revenue Fund and surety reimbursements, which are accounted for and commingled with the MHD Enforcement strategy appropriations. To the extent

the HORTF appropriations and surety reimbursements are not sufficient to finance the HORTF claims, the MHD may use enforcement appropriations.

Without separate accounting for HORTF transactions and balances, by appropriation and method of finance, the MHD does not have essential information it needs for monitoring and decision-making purposes. The method of finance and balance of available HORTF appropriations are not available on a current and accurate basis as HORTF payments are processed. Additionally, the MHD does not have a readily available historical record of the extent the methods of finance are sufficient to fund HORTF claims. Although this information is periodically necessary for the needs of the MHD governing board and the State Legislature, the financial records are not reconciled to the HORTF program records to ensure completeness and accuracy.

At present, the MHD determines the use of other appropriated receipts by calculating claims made in excess of surety coverage and the HORTF appropriation, adjusted by surety reimbursements. However, as noted above, unless reimbursements and collections are individually and collectively tracked and accounted for, this calculation is, at best, an approximation. While the MHD may be able to determine that all payments (including, but not limited to, HORTF payments) are within its overall HORTF and Enforcement appropriations, it does not have reasonable procedures to ensure HORTF payments made from appropriated receipts under the Enforcement strategy are not taking away from funds the MHD relies upon to carry out non-HORTF aspects of that strategy.

Texas Government Code, § 1201.404 (b) states, "The trust fund and the director are not liable to the consumer if the trust fund does not have the money necessary to pay the actual damages and attorney's fees determined to be payable." The section goes on to say, "The director shall record the date and time of receipt of each verified complaint and, as money becomes available, pay the consumer whose claim is the earliest by date and time." To the extent HORTF financing is not sufficient to fund HORTF claims and to the extent it become a burden on the Enforcement appropriations, the Department does not have readily available, detailed information to substantiate a decision to delay the payment of HORTF claims.

Recommendation

We recommend the CFO establish a separate accounting of HORTF transactions and balances by appropriation and method of finance to account for HORTF claim payments, the methods of financing the payments, and any balances of HORTF fund appropriations and surety reimbursements available to process HORTF claims. We further recommend that the accounting methodology employed be consistent with the methods employed by the Department's Accounting Section. We recommend the CFO provide a statement of transactions and balances to the MHD HORTF Administrator on a current basis for use in assessing the status of HORTF claims processed and appropriated funds available.

Management's Response

MHD Management agrees with this recommendation.

Target date for completion – September 1, 2007

Section 4

Maintain Documentation Supporting Notifications

The MHD has designed adequate controls to notify properly licensees and bonding companies of consumer claims. Pursuant to the Tex. Occ. Code, § 1201.406 (b)(1) and 10 TAC *Sec. 80.133 (g)(3)*, the Department shall notify each appropriate licensee upon receipt of a consumer complaint, and pursuant to § 1201.407 (d), the Department shall notify a license holder's surety.

MHD investigators use a standard form for each complaint transitioned to a HORTF claim prompting the investigator to notify the appropriate licensee and bonding company. A standardized notification letter is used to inform the licensees and bonding companies, and the date of the notification letter is documented on the standard form. The standardized letter has data fields to identify both the bonding company and licensee.

While the design of the controls is adequate and sufficient documentation was maintained to support appropriate notification of bonding companies, documentation to support appropriate notification of licensees was not consistently maintained. In the test of 29 HORTF claim files, eight files did not have documentation supporting the notification of the licensee.

Recommendation

We recommend MHD consistently use and maintain for support the standardized letter to inform both the bonding companies and licensees of a HORTF claim.

Management's Response

MHD Management implemented this change several months ago.

Target date for completion – Completed

Section 5

Management Information System

There are two primary components of the program information system designed to track a complaint that may be resolved with a payment from the HORTF: the Out of Business License Holder Spreadsheet (License Holder Spreadsheet), and the HORTF Control Spreadsheet. There is also the Manufactured Housing Complaint System; however, it is not used by the HORTF Administrator for the purposes of administering the processing and payment of HORTF claims, and, accordingly, it was not tested for effectiveness during the course of the audit.

The HORTF Administrator enters the HORTF claims on the License Holder Spreadsheet as a consumer complaint transitions to a HORTF claim. A separate spreadsheet is established for each licensee that has HORTF claims against it, and the spreadsheet is used to track the claim from the time the complaint is determined to be a HORTF claim until surety reimbursement is received or the bond is depleted. Each spreadsheet has a running balance of the remaining bond or an uncollectible balance, due to a depleted bond, resulting from consumer claims against that retailer.

A claim is posted to the HORTF Control Spreadsheet in the order of the date the investigator determines the complaint is HORTF eligible and the claim is ready for payment. The control spreadsheet tracks the claim from the time it is ready to be paid until the file is closed and is used to control activities and prompt the HORTF Administrator to take necessary actions to provide reasonable assurance certain control and HORTF objectives are satisfied.

While these spreadsheets are adequately designed to achieve the control and HORTF objectives, they are not effective in providing reasonable assurance the objectives are achieved as discussed below.

Section 5-A

Establish a Quality Control Function and Cross Train a Back-up Administrator

No audit exceptions were noted relating to a primary objective of the License Holder Spreadsheet of maintaining a running balance of the remaining bond or an uncollectible balance, due to a depleted bond, resulting from consumer claims against that retailer, except one of 30 spreadsheets selected for testing could not be located. However, numerous posting errors and incomplete data fields were noted during testing.

Audit tests of the License Holder Spreadsheet noted posting errors to the following date data fields: the date the consumer complaint was received, the date the payment request was submitted to Accounting, the date of the HORTF payment, and the date the demand letter was sent to the bonding company making a claim for reimbursement. Incomplete data fields noted during the audit tests include: the date of the warranty estimate, the certification date of the warranty estimate, the date of the demand letter, and the date of reimbursement.

Examples of exceptions noted during audit tests that preclude the effectiveness of the HORTF Control Spreadsheet in achieving its HORTF and control objectives are documented in the tables in Sections 2-A and 2-B above. Other exceptions of 29 files tested included two instances where the date a consumer complaint was in error and another three instances where we could not determine if the date posted to the spreadsheet was accurate. The correct date the request was sent to accounting for payment was not properly posted for 9 of 29 claim payments tested.

Errors and omissions of these types may preclude achieving objectives such as:

- Processing HORTF claims in the order in which they are received.
- Properly notifying consumers their claims are being processed.
- Assurance surety companies are billed for HORTF claim reimbursements.
- Prompt collection of surety companies' reimbursements.
- Assurance HORTF claim reimbursements are received.

Improper postings and incomplete data fields preclude an accurate assessment of the status of a HORTF claim against a licensee.

The posting errors and incomplete data fields is a function of one employee being assigned the responsibility to administer the HORTF, and the inevitability of human error and oversight. Only one employee having a working knowledge of the administration and program system of HORTF also puts the MHD at risk of not being able to continue effective administration in a timely manner in the event of employee turnover in the position or the administrator not being able to perform job duties due to unforeseen circumstances.

Recommendation

We recommend the MHD establish a quality control function to provide reasonable assurance the postings to the program records used to administer HORTF claims are accurate and complete. We recommend the quality control function provide reasonable assurance of achieving the objectives of ensuring transactions affecting the surety receivable balances are properly accounted for (*Section 2-A*), bonding companies are promptly billed for HORTF claim reimbursements, collection efforts are timely, and uncollectible claims are accounted for (*Section 2-B*). We also recommend a back-up administrator be trained to provide support for the administrator. The back-up administrator could serve in a quality control capacity by sampling and testing the accuracy and completeness of the administrator's work, and also serve in the absence of the administrator.

Management's Response

MHD Management agrees with the recommendation. The Consumer Protection Section will train a staff member to provide back up to the HORTF Administrator. Once trained, this person can take full responsibility and the present HORTF Administrator will become the back-up. This will be completed by the middle of FY 2008 and in the interim, the Manager of Consumer Protection can act in the absence of the HORTF Administrator.

Target date for completion – Unknown.

Section 5-B

Restrict Access to HORTF Program Files

The License Holder Spreadsheet and HORTF Control Spreadsheet are maintained in a shared directory on the Department's local area network. All employees in the Consumer Protection Division have access to the spreadsheets. Inappropriate access to the spreadsheets may result in their unauthorized use or sabotage.

Recommendation

We recommend access to the HORTF program spreadsheets is restricted to only those employees that need access to perform their job duties.

Management's Response

This item was corrected May 16, 2007.

Target date for completion – Completed

Section 6

Update Standard Operating Procedures

The MHD's SOPs for Consumer Protection staff to direct and properly administer the daily operations related to a HORTF claim are currently out of date. Formal policies are stated principles that require, guide, or restrict actions, and are designed to promote the conduct of authorized activities in an effective, efficient and economical manner. Formal procedures are necessary to ensure operations are executed as intended, compliance and conformity with prescribed policies, and that unacceptable risks facing the MHD are being identified and controlled. Formal procedures are necessary to ensure claims are processed in compliance and conformity with prescribed laws and regulations.

Without formal policies and procedures, actions could be taken that are not consistent with management expectations. Job duties may not be conducted or responsibilities fulfilled as intended by management. Additionally, written procedures provide a basis for establishing expectations of employees, staff training and measuring employees' performance, and assist in the event of an employee's absence, provide a ready reference for when questions arise, and facilitate continuity of operations when staff changes occur.

Recommendation:

We recommend the MHD update its formal SOPs to align with actual procedures in place, applicable laws, regulations, and rules, and the policies of management and the Board. We recommend the SOPs be designed to promote the conduct of authorized activities in an effective, efficient, and economical manner, and provide a satisfactory degree of assurance that unacceptable risks facing the MHD are being identified and adequately controlled. Procedures should sufficiently detail processes to be followed in administering HORTF claims to ensure the processes of carrying out HORTF claims are accomplishing stated policies, goals, objectives and strategies to ensure appropriate tracking, posting and processing of HORTF claims and surety reimbursements.

The Department's SOP 1100.01, *Standard Operating Procedure System*, provides reasonable guidance and direction in developing SOPs.

Management's Response

MHD Management agrees with this recommendation. HORTF personnel began drafting SOPs over a month ago and they are currently in development.

Target date for completion – September 1, 2007

Appendix

OBJECTIVES, SCOPE, METHODOLOGY AND OTHER

Objectives

The objectives of the audit were:

- To ensure consumer claims against HORTF are processed and disbursed in compliance with relevant law, regulation, rule, management and board policy, and that the program information system is adequate to administer the program.
- To ensure HORTF disbursement are adequately supported, authorized, and recorded.
- To ensure bond reimbursements are adequately controlled and recorded.

Scope

The scope of this audit included consideration of the HORTF program from September 1, 2004, through March 31, 2007. Audit tests were limited to HORTF activity from September 1, 2006, through March 31, 2007. The scope included consideration of the following areas:

- Consumer claim files
- HORTF Control Spreadsheet
- Out of Business License Holder Spreadsheets
- Department's Accounting HORTF financial records
- CFO's HORTF financial records

Methodology

The methodology consisted of gaining an understanding of the HORTF program, including policies, processes and procedures designed to ensure compliance with relevant laws, regulations, rules, and management and board policy. An understanding was also gained of processing consumer claims, preparing necessary documentation to support disbursement of HORTF claims, and seeking reimbursements from bonding companies for claims paid.

An understanding was gained through interviewing management and staff and by reviewing claim files, HORTF Control Spreadsheets, License Holder Spreadsheets, and relevant laws and regulations. Tests included considering, comparing and contrasting related claim files and management information reports to supporting documentation and related program laws and regulations. A sample of claims processed from September 1, 2006, to March 31, 2007, were selected and tested to determine whether they were adequately supported, in compliance with relevant laws and regulations, and adequately posted to management information system. Claims processed were tested to determine if related bond reimbursements were collected or available collection efforts were exhausted.

Procedures included reviewing and testing the following:

- Disbursements made to consumers or licensee and supporting documentation.
- Collection efforts and reimbursements from bonding companies.
- Compliance with notification requirements.

Criteria used included the following:

- Texas Statute Occupation Code Chapter 1201, §§ 404-406, and 409
- Texas Administrative Code, Title 10 part 1, Chapter 80 § 133
- 74th Legislature HB 3050; Government Code § 403.095
- General Appropriation Acts for the biennia 2005 and 2006-2007

Type of Audit/Audit Report

The audit was a Performance Audit concentrating on the HORTF activities, policies and procedures designed to provide reasonable assurance of compliance with significant laws, regulations, program rules and management and board policy. While not primary objectives, economy and efficiency issues such as protecting and using the Department's resources and inefficient or uneconomical practices were considered.

Report Distribution

Pursuant to the Texas Internal Auditing Act (Texas Government Code, Chapter 2102), this report is being distributed to the:

- Manufacturing Housing Division's Governing Board
- Governor's Office of Budget and Planning
- Legislative Budget Board
- Office of the State Auditor
- Sunset Advisory Commission

Project Information

The audit was made in accordance with generally accepted government auditing standards and the *International Standards for the Professional Practice of Internal Auditing*.

Colleen Bauer, Internal Audit Team Member, performed this audit.

Appreciation to Management and Staff

We wish to express our appreciation to management and staff for their courtesy and cooperation extended to us during the course of the audit.

ATTACHMENT 19

Attachments Relating to Agency Performance Evaluation

- 19. A list of State Auditor reports from FY 2005 – 2009 that related to the agency or any of its functions.**

See TDHCA Attachment 19.

ATTACHMENT 20
Attachments Relating to Agency Performance Evaluation

20. A copy of any customer service surveys conducted by or for your agency in FY 2008.

None.