

Draft

Virginia Manufactured Housing Board
Minutes
May 15, 2008

Board Members Present : William H. Moody, Chairman
Michael C. Nickell, Vice Chairman
James W. Roncaglione
Ava Lewis
William B. Toombs
John M. Swecker, Jr.

Board Members Absent : Samantha Hedgspeth
Walter K. Hughes, Sr.
Eric C. Anderson

Public Representation : None

A. Call to Order/Roll Call/Determination of a Quorum.

The Virginia Manufactured Housing Board meeting was held in Richmond, Virginia, Thursday, May 15, 2008. Chairman Moody called the meeting to order at 1:00 p.m. Lorenzo E. Dyer, Staff to the Board performed the Roll Call and a Quorum was present.

B. Approval of the Minutes.

A motion was made by James W. Roncaglione and seconded by Ava Lewis to accept the Minutes from the Board's meeting of March 20, 2008. The Minutes were accepted as written by a unanimous vote.

C. Public Comment.

None.

D. Committee Reports. Educational Program Committee

E. Report of the Secretary.

1. Licenses and Recovery Fund Reports.

Currently, there are 3 brokers, 259 dealers, 43 manufacturers and 739 salespersons licensed in the program.

The cash balance in the Licensing Account is \$5,540.40. The cash balance in the Transaction Recovery Fund Account is \$995,477.70.

On July 1, 2008, the interest earned in 2007 and 2008 from the Transaction Recovery Fund will be taken out of the Manufactured Housing Fund.

2. Changes to Manufactured Housing Licensing and Transaction Recovery Fund Regulations (HB 44)/Report on Proposed Updates

A motion was made by James W. Roncaglione to discuss the changes to the Manufactured Housing Licensing and Transaction Recovery Fund Regulations at the next scheduled Board meeting held in July.

After further discussion, it was decided by the Board that Curtis L. McIver, Secretary to the Board would give a summary of the proposed changes to the Manufactured Housing Licensing and Transaction Recovery Fund Regulations.

A discussion of the proposed changes to the Manufactured Housing Licensing and Transaction Recovery Fund Regulations was given by Curtis L. McIver, Secretary to the Board, providing information for the board explaining the proposed changes and updates to the Regulations. July 1, 2008 is the effective date for House Bill 44. In order to amend the Manufactured Housing Licensing and Transaction Recovery Fund Regulations to meet the provisions of House Bill 44, an Ad hoc Committee met on April 29, 2008 to review the current Regulations and prepare some proposed amendments to address the issues from House Bill 44. During this amendment process, recommendations from the Attorney's General's Regulatory Review Task Force provided changes that should be made to the Regulations. Topics of discussion for the proposed amendments are listed below:

- New definitions were added addressing the substantial identity of interest issues introduced by House Bill 44
- Renewing expired licenses for manufacturers, dealers, brokers and salespersons were deleted; a new Article 8 was added to address reinstatement of the licenses
- Changes for a definition of "imminent safety hazard" along with requirements for licenses to be posted and electronic submittals of license application were added from Attorney's General's office.
- Language was added in §13 VAC 6-20-130.A allowing a salesperson to sell homes before receiving his/her license back from the board
- Assessments in §13 VAC 6-20-180 changed to monetary penalties
- Appeal procedures for §13 VAC 6-20-190.D and §13 VAC 6-20-440 were deleted per counsel's recommendation
- The Board proposed language to §13 VAC 6-20-210 indicated the dealer and the manufacturer agreements were not required by the Regulations and only had to be submitted to the Department if the dealer and the manufacturer use them
- The Board indicated the section prohibiting operation or ownership of a dealership by a manufacturer was a throwback to the auto industry franchise regulations and should be deleted. §13 VAC 6-20-250 is included for deletion
- Addendum I was changed to include the amendments made by House Bill 44.

After the discussion lead by Curtis L. McIver, the motion by James W. Roncaglione and the second by Michael C. Nickell were withdrawn.

3. July Meeting with VAMMHA.

The Virginia Manufactured Housing Board will be holding its July Meeting in conjunction with the Virginia Manufactured and Modular Housing Association's annual conference meeting at the Homestead Resort Hotel in Hot Springs, July 29 through July 31, 2008. Fiscal Management Staff and the Deputy Director of the Building Regulations Office have given approval for one overnight stay for Board members and staff to attend the VAMMHA Convention.

F. Finished Business.

1. Bertha E. Peppenger (Dinia Pizzino) v. Fleetwood Homes of Virginia and Crews Home Sales.

After following directives of the Board, staff researched and reviewed the issues of the complaint received from Ms. Pizzino. Currently, there are no issues that relate to the Regulations or issues to be presented to the Virginia Manufactured Housing Board. A response from Eric Gregory from the Attorney General's Office was sort and received before responding to Ms. Pizzino's complaint.

2. Larry and Phylisa Sergent v. Indies Signature Homes, Hackleburg, AL.

A check was issued for \$200.00 to Kinser's Residential & Mobile Home Service, a contractor for the Sergents which paid for the extended cost of the estimate on their home. This case is closed before the Board.

G. Unfinished Business.

1. Joseph and Mary Brown v CMH dba LUV Homes.

A Notice of Appeal was received and stamp dated in the office on May 6, 2008. Eric Gregory from the Attorney General's Office was contacted and sent a copy of the Notice of Appeal. Mr. Gregory indicated no response is needed from this office at this time. The Browns have thirty days in which to file their appeal to the Circuit Court. Once the appeal is filed, it will be made known what is required by the Board. The check that was issued to the Browns has not been cashed and is not expected to be negotiated until a decision is made by the Courts.

H. New Business.

1. Jackie Pate v Housing Solutions.

On February 13, 2008, Jackie Pates's complaint was received in this office. A letter was mailed to the dealership, Housing Solutions, addressed to James R. Wefley. The letter was returned and no response was received from Mr. Wefley. After traveling to the dealer's site in Louisa County, Staff documented the dealership was closed. DMV was contacted to verify the home was titled at the time the transaction occurred which is required by the Regulations. The sales transaction occurred in 2005 and currently DMV records indicate the home has never been titled.

The owner was in the process of selling the home when the issue of the title was questioned. Staff was instructed to obtain additional documentation that the home is not titled and or not being taxed as real estate. Staff was also instructed by the Board to research additional resources to determine if a Fact-finding Conference is necessary.

2. Brian and Wendy Helman v Autumn Homes and Holiday Homes.

This case involves Autumn Homes and Holiday Homes which is a closed manufacturer and dealership. It is also established that claims have been paid out against the manufacturer and dealer. The owner contacted this office in 2002 and spoke with Alan McMahan. A complaint form was faxed to the owners on November 13, 2002. There is no record of the complaint form being sent back into the State Building Code Administrative Office. Upon being contacted in March, 2008, Mr. Joe Hendricks was contacted to conduct an On-site Investigation at the Helman's home in April 2008. According to Mr. Hendricks' report there appears to be violations of the Regulation on the part of the dealer and the manufacturer. After much discussion, a motion was made by John Swecker not to accept the claim before the Board. The reason is because the claim was not presented in a timely manner since six years has passed since the owner last contacted the SBCAO. The motion was seconded by William B. Toombs. Chairman Moody called the question and the motion carried by unanimous vote.

3. Joseph and Faye O'Brien v T.D. Homes Inc. dba Stuzman Quality Homes.

This complaint concerns outstanding issues that need to be corrected by both the Manufacturer and the Dealer. The dealer is no longer in business. The owners request the money to be paid to them from the Transaction Recovery Fund for issues involving the dealer. After much discussion, James W. Roncaglione requested an Informal Fact-finding Conference be convened to gather additional information from the owners to be presented at the next Board meeting. The motion was seconded by John Swecker. Chairman Moody called the question and the motion carried by unanimous vote.

I. Next Meeting Date and Location.

The next meeting date and location of the Virginia Manufactured Housing Board is scheduled for Wednesday, July 30, 2008 at 10:00 a.m. with the VAMMHA at The Homestead, 1766 Homestead Drive, Hot Springs, Virginia 24445.

J. Adjournment.

The Virginia Manufactured Housing Board Meeting adjourned at 2:40 p.m. on a motion made by John Swecker and seconded by Michael C. Nickell. The motion carried by a unanimous vote.