

Manufactured Housing – Direct Section 502 Checklist

HB-1-3550 9.16 – 9.20

1924-A Ex. J

In addition to the documents required for the typical direct Section 502 construction loan, the following items must be submitted by the applicant or the Approved Dealer Contractor:

DATE	#	ITEM
	1	An itemized cost breakdown of the total package, including the base unit, eligible options, site development, installation, set up, lot costs, and any credit for wheels and axles. HB-1-3550 9.18
Manufactured Housing – Site (Must comply with HB-1-3550, 1924-C “Planning and Performing Site Development Work” and RD Instruction 1940-G Environmental Program)		
	2	Adequate site development and foundation installation drawings and specifications shall be provided by the applicant or dealer-contractor to the Agency to fully describe the construction and other development work. A plot plan and site development plan is required as described under RD Instruction 1924-A. Site development and set up must conform to Exhibit J of RD Instruction 1924-A, and the environmental requirements of RD Instruction 1940-G must be met. HB-1-3550 9.18 & 9.19. & RD Instructions 1924-A, Exhibit J, Part C
	3	The site must be inspected by USDA Rural Development using HB-1-3550 Attachment 5-B Single Family Housing Site Checklist.
Manufactured Housing - Unit		
	4	The unit must meet the requirements for new dwellings contained in HB-1-3550 paragraphs 5.6-5.7 and must have a floor area of 400 square feet or more, and a width of 12 feet or more for a single-wide unit, and 20 feet or more for a double-wide unit. HB-1-3550 9.19
	5	New Manufactured Homes built to the Federal Manufactured Home Construction and Safety Standards (FMHCSS) are provided with a Comfort Heating and Cooling Certificate. The Certificate (which specifies the FMHCSS U _o Value Zone) may be combined with the Data Plate. All Manufactured Homes financed in Texas through USDA Rural Development must have a FMHCSS U_o Value Zone 2 or higher (except for the following counties: (Cameron, Hidalgo, Kenedy, Kleberg, Starr, Willacy and Zapata) which must have a FMHCSS U _o Value Zone 1 or higher). <i>Please Note: The U_o Value Zone Map on the certificate is for HUD purposes and does <u>not</u> apply to USDA Rural Development loans.</i> HB-1-3550 Attachment 9-A
	6	A schematic floor plan must be submitted by the applicant (or Dealer) when applying for Agency financing. 1924-A, Exhibit J, Part C, I B
	7	Form Rural Development/1924-2, "Description of Materials," or other acceptable and comparable descriptions of all materials used for site development, foundation installation and the permanent perimeter enclosure shall be submitted with the drawings by the applicant. Additional sheets shall be attached as well as manufacturer's specification sheets for equipment and/or special materials. RD Instructions 1924-A, Exhibit J, Part C, V A

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8	<p>The manufacturer's installation instructions provided with each manufactured home shall contain instructions for at least one site-built foundation with interior and/or perimeter supports. Rural Development field office personnel shall review to determine its adequacy as security for an Rural Development loan.</p> <p>RD Instructions 1924-A, Exhibit J, Part A II B</p>
9	<p>Foundations for Manufactured Housing units financed through USDA Rural Development must be designed and constructed in accordance with the HUD Permanent Foundation Guide for Manufactured Housing. To document compliance with the HUD Permanent Foundation Guide for Manufactured Housing, the Approved Dealer Contractor must furnish the local USDA Rural Development Office with Form RD 1924-25 and <u>one</u> of the following:</p> <p style="margin-left: 40px;">A. Foundation drawings and design calculation prepared and sealed by a licensed professional structural engineer or architect for foundation concepts shown in HUD Permanent Foundation Guide for Manufactured Housing (Appendix A).</p> <p style="margin-left: 40px;">B. Furnish the Design Worksheet (HUD Permanent Foundation Guide for Manufactured Housing Appendix F) prepared by a licensed professional structural engineer or architect.</p> <p>Memo from the Director of the Program Support Staff dated Aug 30, 2000.</p>
10	<p>For proposed construction, the builder or dealer-contractor shall submit with the loan or grant application design calculations, details and drawings for the installation, anchorage and construction of the permanent foundation and perimeter enclosure to be used. Foundation design sections and details of all critical construction points systems, anchorage methods, and structural items shall be scaled to provide all appropriate information 1:30 (3/8" = 1'-0") minimum.</p> <p>RD Instructions 1924-A, Exhibit J, Part C I (C)</p>
11	<p>During the planning, design, and construction of the foundation system and/or perimeter enclosure, provisions shall be made for the installation and connection of on-site water, gas, electrical and sewer systems, which are necessary for the normal operation of the manufactured home. <u>Water and sewer system hookups shall be adequately protected from freezing.</u></p> <p>RD Instructions 1924-A, Exhibit J, Part B I (J)</p>
12	<p>The finished grade elevation beneath the manufactured home or the first floor elevation of the habitable space, whichever is lower, shall be above the 100-year return frequency flood elevation. This requirement applies wherever manufactured homes may be installed, not just in locations designated by the National Flood Insurance Program as areas of special flood hazards. <u>It is the Agency's policy not to approve or fund any proposal in a 100-year floodplain area unless there is no practicable alternative to such a floodplain location.</u></p> <p>RD Instructions 1924-A, Exhibit J, Part B I (C) 1940-G paragraph 1940.304</p>

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Manufactured Housing – Foundation (continued)	
13	Any crawl space beneath the manufactured home must be properly ventilated and enclosed by a continuous permanent perimeter enclosure. RD Instructions 1924-A, Exhibit J, II 4
14	The Approved Dealer Contractor will submit details of the proposed support/foundation system for the skirting to the local office for review and approval. All components of the skirting assembly shall be of non-combustible material. Acceptable skirting face materials include brick, stone, split faced concrete masonry units, cementitious planking/siding, and other similar materials. TX Unnumbered letter
15	Foundation inspection by a qualified inspector. HB-1-3550 5.23 A
Contract and Certifications	
16	The dealer-contractor must sign <i>Form RD 1924-6, Construction Contract</i> , which will cover both the unit and site development work. <u>Multiple contracts are prohibited</u> , but a dealer-contractor may use subcontractors if the dealer-contractor remains solely responsible for all work under the contract. HB-1-3550 9.20
17	A statement signed by the dealer-contractor indicating that any cash payment or rebate as a result of the purchase will be deducted from the price of the unit and <u>not paid</u> to the applicant. A statement signed by the dealer-contractor that the proposed cost is the full price of the unit and all development activities, and if furniture is being purchased by the applicant with other funds, that a lien will not be filed against the Agency’s security property. HB-1-3550 9.18 & 9.16. “Approved Dealer Contractor Certification” (Att. B) is available for this purpose.
NOTE: <i>The Agency will <u>not</u> use Section 502 loan funds to finance furniture, including movable Articles of personal property such as drapes, beds, bedding, chairs, sofas, divans, lamps, tables, televisions, radios, stereo sets, and other similar items of personal property. (furniture does not include wall-to-wall carpeting, refrigerators, ovens, ranges, washing machines, clothes dryers, heating or cooling equipment, or other similar equipment).</i> HB-1-3550 9.16.	

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FINAL INSPECTION	
18	The borrower will join the authorized USDA Rural Development Employee in making periodic inspections as often as possible and always for the final inspection. Inspectors should examine these units to determine that there is no obvious damage or loosening of fastenings that may have occurred during transportation. 1924-A, Exhibit J, Part D II
19	All firms furnishing materials or labor in connection with the contract must sign <i>Form RD 1924-10, Release by Claimants</i> , except for the manufacturer of the unit. The manufacturer of the unit must furnish an executed <u>manufacturer's certificate of origin</u> indicating that the unit is free and clear of all legal encumbrances. <i>Form RD 1924-10 Release by Claimants</i> and the manufacturer's certificate of origin should be filed in the borrower's case file. HB-1-3550 9.20 B
20	A dealer-contractor must provide the borrower with a warranty in accordance with the provisions of RD Instruction 1924-A. The warranty must identify the unit by serial number. If a 10 year warranty is not provided, Form RD 1924-19 Builders Warranty will be completed and signed by an authorized representative of the Approved Dealer Contractor. The period of the warranty will be one year from date of final acceptance of the work by the owner and the Agency. HB-1-3550 9.20 C
21	The dealer-contractor must certify that the unit substantially complies with the plans and specifications, and the home has sustained no hidden damage during transportation. If the home was manufactured in separate sections, the dealer-contractor also should certify that the sections were properly joined and sealed according to the manufacturer's specifications. The dealer-contractor must furnish the applicant with a copy of <u>all</u> manufacturers' warranties. HB-1-3550 9.20 C (Wording included on 2d page of Form RD 1924-19 Builders Warranty)
22	Payment for all work will be made in accordance with <i>Form RD 1924-6</i> and RD Instruction 1924-A except that no payment will be made for materials or property stored on site. Payment for a unit will be made only after it is permanently attached to the foundation and all utilities are in place. Ten percent of the loan amount will be held for 30 days. HB-1-3550 9.20 A
23	When the loan closes, the unit and site must be taxed as real estate by the jurisdiction in which it is located. HB-1-3550 9.20 D