
**Trade & Economic Development
Committee**

HB 1629

Brief Description: Creating the manufactured home purchase assistance program.

Sponsors: Representatives O'Brien, Kagi, Schindler, Kirby, Dunshee, Benson, Hunt, Chase, Morrell, Edwards, Simpson, Rockefeller and Miloscia.

Brief Summary of Bill

- Creates the manufactured home purchase assistance program.

Hearing Date: 2/11/03

Staff: Tracey Taylor (786-7196).

Background:

Approximately 11 percent of all new single family homes sold in Washington are manufactured home. Ninety-seven percent of all manufactured homes in Washington are multi-sectional and cost an average of \$65,490. Ninety percent of the homes are placed on privately owned lots. In Washington, there are 1,800 rental communities, with an average of 65 home sites per community. Once sited, less than five percent of manufactured homes are moved.

Summary of Bill:

The manufactured home purchase assistance program is created and shall be administered by the Department of Community, Trade & Economic Development (DCTED). The program will assist eligible persons receive manufactured home purchase loans. The loan shall be for a fixed interest rate based upon the best prevailing market rate in the area at the time the loan is being made.

A lender providing a manufactured home purchase loan to an eligible person will be insured by the manufactured home purchase assistance program against default by the eligible person. Prior to making the loan, the lender must establish the terms of the loan guarantee with the DCTED. The DCTED shall not guarantee additional loans if the available money to fund

the program does not equal or exceed the amount it would cost to repay lenders if 50 percent of all current loans defaulted.

To be eligible for a manufactured home purchase loan, a person must: (1) make a down payment of five percent of the manufactured home, manufactured home lot, or the manufactured home and lot; (2) demonstrate that they have current adequate income to make the payments on the loan and meet their other expenses, including a salary that is two and one-half times the expected monthly loan payment; (3) not declared bankruptcy within the past 10 years; (4) provide documentation evidencing the person has been continuously employed for the prior three years; and (5) have a suitable site on which to place the manufactured home.

The manufactured home purchase assistance account is created in the custody of the state treasurer. An appropriation is not required in order to make expenditures.

Appropriation: None.

Fiscal Note: Requested on February 3, 2003.

Effective Date: The bill takes effect ninety days after adjournment of session in which bill is passed.