
**Community Development, Housing &
Tribal Affairs Committee**

HB 2954

Brief Description: Directing the department of commerce to study the sale and financing of manufactured homes.

Sponsors: Representative Ryu; by request of Washington State Department of Commerce.

Brief Summary of Bill

- Directs the Department of Commerce to report on consumer protections related to the sale and financing of manufactured homes by January 2017.

Hearing Date: 2/23/16

Staff: Sean Flynn (786-7124).

Background:

Manufactured Homes.

A manufactured home is a single family dwelling that is prefabricated on a permanent chassis to be transported from the factory to installation site. Manufactured homes are constructed according to federal building standards issued by the United States Department of Housing and Urban Development. Manufactured home purchases can be financed through a variety of private and government-insured financing plans, including retail installment contracts or real estate mortgages.

Deeds of Trust - Foreclosure Fairness Program.

State law provides for residential real property loan obligations secured by a deed of trust, which may permit a third party trustee to initiate a nonjudicial foreclosure sale for the seller under certain circumstances. In 2011 the Legislature created the Foreclosure Fairness Program (Program) as part of an effort to reform the deeds of trust foreclosure process. The Program is administered by the Department of Commerce (Department), which provides counseling and

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mediation assistance to homeowners facing foreclosure. In addition, the Office of the Attorney General (AGO) Consumer Protection Division is authorized to investigate consumer protection complaints and enforces deed of trust foreclosure laws.

Summary of Bill:

The Department is directed to conduct a study on the sale and financing of manufactured homes, including a comparison of consumer protections provided for purchases financed with retail installment contracts and purchases under a deed of trust. By January 1, 2017 the Department must report its findings and recommendations to improve consumer protections for manufactured home buyers to the Governor and appropriate legislative standing committees.

The study must include:

- manufactured home sales and financing practices;
- applicability of usury laws to manufactured home financing;
- disclosure requirements and practices;
- repossession practices; and
- status of manufactured homes under state laws pertaining to real property.

In conducting the study, the Department must consult with diverse stakeholders, including manufactured home sellers, financing companies, buyers, and homeowners, as well as manufactured home park owners and consumer protection advocates.

This Act expires June 30, 2017.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.