

Exhibit No.:  
Issues: Alteration of  
Manufactured Home  
Witness: Ronnie Mann  
Sponsoring Party: MO PSC  
Type of Exhibit: Direct Testimony  
Case No.: MC-2000-660  
Date Testimony Prepared: June 12, 2001

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**DIRECT TESTIMONY**

**OF**

**RONNIE MANN**

**CASE NO. MC-2000-660**

**FILED<sup>2</sup>**  
JUN 11 2001  
Missouri Public  
Service Commission

**Jefferson City, Missouri**  
**June 12, 2001**

1 DIRECT TESTIMONY

2 OF

3 RONNIE MANN

4 DISCOUNT MANUFACTURED HOUSING, INC.

5 CASE NO. MC-2000-660

6 Q. Please state your name.

7 A. Ronnie Mann

8 Q. Where are you employed?

9 A. I am employed by the Missouri Public Service Commission  
10 (Commission).

11 Q. What is your business address?

12 A. My business address is P. O. Box 360, Jefferson City, MO 65102.

13 Q. What is your position?

14 A. My position is Manufactured Housing Field Inspector for the  
15 Manufactured Housing and Modular Units Program (Department).

16 Q. How long have you held the position?

17 A. I have held the position since April, 1997.

18 Q. Please state your relevant work experience.

19 A. I have been involved with residential construction and re-modeling since  
20 1969, which includes manufactured homes. I received an Associate Degree in Applied  
21 Science in Construction Technology in 1972 from North Central Missouri Community  
22 College in Trenton, MO. I also have a certificate of Vocational Training in Carpentry,  
23 and in Blueprint Reading.

Direct Testimony of  
Ronnie Mann

1 Q. Please state your relevant training since going to work for the  
2 Commission.

3 A. I have attended Production Inspection Primary Inspection Agency (IPIA)  
4 training workshops sponsored by the National Conference of States on Building Codes  
5 and Standards for four consecutive years. These workshops focus on instructing the State  
6 Administrative Agency (SAA) on how to conduct investigations and handle consumer  
7 complaint investigations. These investigations are called Subpart I investigations as  
8 described in Part 3282 of the Federal Manufactured Home Procedural and Enforcement  
9 Regulations. These regulations were adopted for use by the Commission in 1976 for the  
10 handling of consumer complaints on manufactured homes. I have attended and passed  
11 testing in the Manufactured Home Installation course provided by the Missouri  
12 Manufactured Housing Association. I am Building Officials & Code Administrators  
13 (BOCA) certified in 1 & 2 family dwelling building inspections.

14 Q. Please describe your duties as a Field Inspector for the Department.

15 A. As a Field Inspector for the Department it is my responsibility to inspect  
16 manufactured homes and modular units owned by consumers. These inspections are  
17 conducted to determine if there are any construction non-conformances or installation  
18 and anchoring deficiencies. I also do inspections of manufactured home and modular  
19 unit dealer lots, and alterations. I generate electronic reports relating to the set up and  
20 manufacturer related non-conformances.

21 Q. As part of your duties did you conduct an inspection of the manufactured  
22 home owned by Mr. William Tague?

Direct Testimony of  
Ronnie Mann

1           A.     Yes. On September 29, 1999, I conducted an inspection of Mr. Tague's  
2 home located at 191 NW 251 Road, Warrensburg, MO 64093

3           Q.     Why was an inspection conducted?

4           A.     I inspected Mr. Tague's home as a result of his complaint and request for  
5 inspection submitted to the Department. The Department received Mr. Tague's request  
6 on September 1, 1999.

7           Q.     Was a report filed as a result of that inspection?

8           A.     Yes. I submitted an inspection report dated October 8, 1999, that cited the  
9 manufacturer and set up deficiencies found during the field inspection of Mr. Tague's  
10 home. A copy of that report is attached to my testimony as Schedule A.

11          Q.     How do you determine what constitutes a proper set up?

12          A.     Federal Regulations require manufacturers to provide printed instructions  
13 explaining the proper set up and installation (installation manual) for each manufactured  
14 home that they produce. I inspected the set up of Mr. Tague's home per the installation  
15 manual that came with the home.

16          Q.     At the time of the inspection, was Mr. Tague's home found to be properly  
17 set up in accordance with State and Federal standards?

18          A.     No. Item 9 of the inspection report lists the set up deficiencies found  
19 during the inspection. The list includes an alteration violation involving the removal of  
20 parts of the home's chassis and frame cross members.

21          Q.     What were the specific deficiencies in the set up of Mr. Tague's home?

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Ronnie Mann

1           A.     The column support posts were not properly installed; some trim work in  
2 the home was done without the proper materials; the electric cross over wiring was not  
3 fastened properly and protected as required; plumbing drain lines were installed without  
4 proper slope and were not supported as required; there were several deficiencies in the air  
5 conditioner installation; vinyl siding on the ends of the home, installed by the dealer, was  
6 fastened too tight; and the removal of parts of the chassis and frame cross members.

7           Q.     What is the usual procedure when deficiencies are found in a  
8 manufactured home as a result of an inspection?

9           A.     The usual procedure is to report to the manufacturer any manufacturer  
10 related non-conformances so a Subpart I investigation can be conducted, and to notify the  
11 dealer of any set up related deficiencies. Manufacturers are required to perform the  
12 Subpart I within 20 days of receiving the complaint 24 C. F. R. §3282.404 (c)(1977), and  
13 dealers are required to correct set up deficiencies within a certain time period, usually 30  
14 days, and are required to submit work orders on corrected items to the Department.

15          Q.     Was the dealer notified of the results of your inspection of Mr. Tague's  
16 home?

17          A.     Yes. I sent a copy of the field inspection report to the dealer, Discount  
18 Manufactured Housing, Inc. (Discount) with a letter instructing Discount to correct the  
19 set up deficiencies and alteration within 30 days. A copy of the letter is attached to my  
20 testimony as Schedule B.

21          Q.     What is the usual procedure for following up on this type of complaint?

Direct Testimony of  
Ronnie Mann

1           A.     The procedure, per Department policy, includes following up with the  
2 homeowner and the dealer at the end of the 30-day period to verify that all set up  
3 deficiencies have been corrected. Any work orders received during this time are  
4 reviewed and analyzed.

5           Q.     Did you follow up with Discount regarding Mr. Tague's home?

6           A.     Yes. I had conversations with Larry Meyer, the owner of Discount,  
7 concerning Mr. Tague's home, and I was informed in a letter dated December 10, 1999,  
8 that all work was completed with the exception of the alteration, which Mr. Meyer said  
9 would be addressed separately. A copy of Mr. Meyer's letter is attached to my testimony  
10 as Schedule C.

11          Q.     Did you follow up with Mr. Tague?

12          A.     Yes. Mr. Tague said that the alteration had not been addressed and that he  
13 felt a re-inspection was necessary.

14          Q.     Did you re-inspect Mr. Tague's home?

15          A.     Yes. On December 21, 1999, Steve Jungmeyer Director of the  
16 Manufactured Housing and Modular Units Program, Gene Winn Inspector Supervisor  
17 and I met Larry Meyer and Donna Powers of Discount Manufactured Homes at  
18 Mr. Tague's home. It was determined during this inspection that all of the set up  
19 deficiencies were corrected with the exception of the altered chassis and frame.

20          Q.     Do you know at this time if the altered chassis and frame have been  
21 corrected?

Direct Testimony of  
Ronnie Mann

1           A.     According to Mr. Tague the altered chassis and frame have not been  
2 corrected, and the Department has not received any work orders indicating that the  
3 corrections have been made.

4           Q.     Could you explain why a chassis and frame of a manufactured home  
5 cannot be removed or altered?

6           A.     Yes. According to the Federal Manufactured Home Construction and  
7 Safety Standards; manufactured homes must have, at all times, a permanent chassis.  
8 Chassis is defined as "the entire transportation system comprising the following  
9 subsystems: drawbar and coupling mechanism, frame, running gear assembly, and  
10 lights." 24 C. F. R. §3280.902 (a)(1989). The common practice of the industry is to  
11 remove the running gear assembly, lights, coupling mechanism and the drawbar upon  
12 delivery of the home. The U. S. Department of Housing and Urban Development, who  
13 enforces the Manufactured Home Constructions and Safety Standards, maintains that the  
14 only parts of the chassis or transportation system that can be removed are those parts just  
15 mentioned as common practice, as long as the items are designed to be removed from the  
16 frame. The remaining frame, or permanent chassis, have been determined to be essential  
17 parts of the chassis necessary to provide support both during transportation and on-site.  
18 Copies of letters and memorandums supporting this determination from Mr. Philip  
19 Schulte, Mr. David Nimmer and Mr. Peter Race of the U. S. Department of Housing and  
20 Urban Development are attached to my testimony as Schedules D, E, and F.

21          Q.     In your opinion, did the removal of the chassis parts on Mr. Tague's home  
22 violate the Federal Standards?

23          A.     Yes.

Direct Testimony of  
Ronnie Mann

1 Q. Is Discount still required to correct the alteration to the chassis of Mr.

2 Tague's home at this time?

3 A. Yes.

4 Q. Does this conclude your testimony in this matter?

5 A. Yes it does.



Dawn L. Hale  
Notary Public

**Consumer:** Tague, William  
**Address:** 191 NW 251 Rd., Warrensburg, MO 64093  
**Telephone Number:** 660-747-3205  
**Manufacturer:** MANUFACTURED HOUSING ENTERPRISES, 09302 STATE ROUTE #6, BRYAN, OH 43506 Phone #: (419) 636-4511  
**Dealer:** DISCOUNT MANUFACTURED HOUSING, INC, PO BOX 738, 1601 N OUTER RD E 50 HWY. WARRENSBURG, MO 64093  
**Installer:**  
**Inspector's Name:** RONNIE MANN MO PUBLIC SERVICE COMMISSION  
**Serial Number:** MO 31377-2 HUD Label Number PFS 550195-96  
**Date of Manufacture:** 11/4/1998 Date of Installation: 12/10/1998  
**Date Inspected:** 9/29/1999 Size: Multi-Wide

Item:	Findings:	Location:
1	3000.00 REGULATORY/REGULATORY/ MANUFACTURER TO DO A SUBPART I ON THE FOLLOWING ITEMS.	
2	0606.04 INTERIOR WALLS/MOLDING/TRIM/ATTACHMENT There is loose and mismatched trim in this home.	
3	1515.00 FURNACE (HEATING)/REGISTERS / GRILLES/ The access panel above the furnace door is too long to allow the furnace door to be removed.	
4	0704.02 EXTERIOR SIDING/VINYL/INSTALLATION There is vinyl siding on the front side of the home above the bay window that is not secured.	
5	0802.04 ROOF/SHINGLE/INSTALLATION The roof shingles have some high staples that will not let the shingles seal down. 3280.307 (a)	
6	1003.00 INTERIOR DOORS/INSTALLATION/ There are interior doors that do not open and close properly. 1) The basement stairwell door is hard to open. 2) The back bedroom door is not square in the opening.	
7	0604.01 INTERIOR WALLS/WALL/ATTACHMENT / ANCHORING The wall beside the stairwell (kitchen side) is not secured to the ceiling. 3280.305 (f) (2)	
8	0903.00 EXTERIOR DOORS/INSTALLATION/ The back door leaks air. 3280.405 (d) The front storm door does not fit the opening and leaks air. 3280.405 (d) The front door does not close properly. 3280.405 (d)	
9	3100.00 SETUP/SETUP/	

**SET UP DEFICIENCIES.**

- 1) The column support posts are not in the proper locations. See manufacturer drawing for the proper spacing and locations.
- 2) There are no support columns under the stairwell.
- 3) The trim out at the marriage line has materials installed other than manufacturer supplied trim out kit.
- 4) The electric cross over connections are not up and protected as required.
- 5) The sewer drain lines do not have enough fall.
- 6) The sewer drain lines are not supported every 4 feet as required.
- 7) The air conditioner lines are not firestopped in the furnace compartment.
- 8) The air conditioner electric supply wiring is not up and in conduit as required.
- 9) The vinyl siding on the ends is not properly installed. Some is not secured and some is nailed too tight.

Home has been altered.

- 1) The chassis frames and cross members have been cut off.

Dealer will need to obtain an Application to alter a Manufactured Home.

**Action Requested:**

Manufacturer to correct item(s): 1, 2, 3, 4, 5, 6, 7, 8

Dealer to correct item(s): 9

**Notification:**

Notification to Manufacturer: MANUFACTURED HOUSING ENTERPRISES.  
BRYAN, OH

Notification to Dealer: DISCOUNT MANUFACTURED HOUSING, INC.  
WARRENSBURG, MO

Notification to Installer: N/A

**Time Allowed:**

20 days

☒ 30 days ☐ 15 days ☐ — days

☐ 30 days ☐ 15 days ☐ — days



## Missouri Public Service Commission

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Chair

HAROLD CRUMPTON

CONNIE MURRAY

ROBERT G. SCHEMENAUER

M. DIANNE DRAINER  
Vice Chair

POST OFFICE BOX 360  
JEFFERSON CITY, MISSOURI 65102  
573-751-3234  
573-751-1847 (Fax Number)  
<http://www.ecodev.state.mo.us/psc/>

October 8, 1999

GORDON L. PERSINGER  
Acting Executive Director  
Director, Research and Public Affairs

WESS A. HENDERSON  
Director, Utility Operations

ROBERT SCHALLENBERG  
Director, Utility Services

DONNA M. KOHLIS  
Director, Administration

DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE  
General Counsel

Attn: Larry Meyer  
Discount Manufactured Housing  
P.O. Box 738  
1601 N Outer Rd  
E 50 Hwy  
Warrensburg, MO 64093

RE: William Tague

Dear Sir:

As an authorized inspector for the Department of Manufactured Housing, Recreational Vehicles and Modular Units, I inspected a Manufactured Housing Enterprises manufactured home (serial number MO 31377-2) owned by William Tague, on September 29, 1999. A copy of the inspection report is enclosed.

Pursuant to Section 700.100.3(6) RSMo 1994, manufactured home dealers are responsible to arrange for the proper initial setup of any manufactured home or modular unit purchased from their dealership, unless the dealer receives a written waiver of that service from the purchaser or his authorized agent and an amount equal to the actual cost of the setup is deducted from the total cost of the manufactured home or modular unit.

The inspection conducted by this Department indicated that the referenced manufactured home is not properly setup. Please refer to those items of the inspection report for specific details.

Further, it is the finding of this Department that this home has been altered in violation of state law. Section 700.025 RSMo 1994, states that no person shall alter or cause to be altered any manufactured home, recreational vehicle, or modular unit to which a seal has been affixed, if such alteration or conversion causes the manufactured home, recreational vehicle or modular unit to be in violation to the code. Please refer to the specific items of the inspection report for specific details. According to Section 700.045(5) RSMo 1994, you are required to correct the noted setup and alteration deficiencies within 30 days from receipt of this notification. In addition, please submit a work order signed by the homeowner indicating that the noted deficiencies have been corrected.

Please note that failure to correct the deficiencies within the specified time period could result in a formal complaint being brought before the Public Service Commission for enforcement measures.

Thank you for your prompt attention to this matter. Should you have any questions, please feel free to contact me at 660-684-6835.

Respectfully,

Ronnie Mann  
Field Inspector  
Department of Manufactured Housing,  
Recreational Vehicles and Modular Units

cc: File

**DISCOUNT MANUFACTURED HOUSING, INC.**



"Best Value in Housing"

LARRY J. MEYER  
President

(660) 747-8108  
FAX (660) 429-6056  
P.O. Box 738  
Warrensburg, MO 64093

December 10, 1999

Missouri Public Service Commission  
Att: Mr. Steve Jungmeyer  
P.O. Box 360  
Jefferson City, Mo. 65102

RE: Ronnie Mann Inspection  
SN: Mo-31377-2 MHE


This letter is to inform you that the above home's deficiencies have been corrected as follows:

- #1. The column supports: There was a delay in customer providing the posts and removing the built-in bench where post should be placed.
- #2. Support columns: They were purchased at dealer expense due to the customer refusing to pay, although this is customer responsibility "expense of site preparation".
- #3. Trim out: Trim out at the marriage line material used was furnished by manufacturer.
- #4. Electric cross over: Electric crossover connection was properly protected per manufacturer manual at the time of original set-up. They were later pulled loose by customer or manufacturer electrician and never put back. This again was completed at dealer cost.
- #5. Sewer Drain: This according to plumbing rules with less than 1/4 fall, a clean-out maybe installed.( RSMO,3280.606 Par. 9 B (ii))
- #6. Sewer lines supported: Only one place is more than 4 foot and this was immediately under a steel beam prohibiting support.
- #7 & # 8: Air conditioner: This has been corrected by Royal Supply, who originally installed the system.

#9. Vinyl siding: Vinyl siding at the garage end was removed, finding that the siding installation was not the problem, but bowed studs. The studs have been replaced at the dealer expense.

I feel that this corrects all deficiencies if you have any questions please feel free to call my office.

Thank you,

  
Larry J. Meyer  
President

P.S. Alteration to be addresses separately.



U.S. DEPARTMENT OF HOUSING AND URBAN D  
WASHINGTON, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY FOR  
HOUSING-FEDERAL HOUSING COMMISSIONER

JAN 13 1992

This is in response to your letter of December 9, 1991, which requested clarification on whether two specific designs, enclosed with your letter, should be approved in view of Dave Nimmer's letter of February 15, 1991, concerning removal of any part of the "frame" of a manufactured home chassis, during installation.

In reaching our decision on the two cases you submitted, we refer you to Page 2 of Mr. Nimmer's letter which states in part that ".... we have concluded that if a manufactured home must have, at all times, a permanent chassis, then no part of any essential elements of the chassis may be removed (emphasis supplied). We have determined that all parts of the frame are essential parts of the chassis necessary to provide support both during transportation and on-site."

Accordingly, our decision on each of the cases is as follows:

1. This condition is unacceptable as a frame component can be permanently removed at the site.
2. This condition is acceptable, as the frame part is to be partially unbolted and rotated and rebolted during site installation. However, it must be clearly stated in the manufacturer's installation instructions that the partially unbolted frame part is to remain with the home.

If you have any questions about the contents of this letter, please contact Mr. Richard Mendlen of my staff at (202) 708-1920.

Sincerely,

Philip W. Schulte  
Chief, Compliance Branch  
Manufactured Housing and  
Construction Standards Division



U. S. Department of Housing and Urban Development  
Washington, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY FOR  
HOUSING-FEDERAL HOUSING COMMISSIONER

Re: 24 CFR 3290.902(c)

February 15, 1991

Over the past months, we have had numerous inquiries on the subject of removing part of the structural frame of a manufactured home's chassis during its installation to accommodate a staircase opening to a basement. The cases brought to our attention involved cutting out a length of I-beam or removing outriggers, but the issue is the same for any part of the frame portion of the chassis.

Most of the people who talked to us on this issue wondered what was taking us so long to respond and why we have decided to not issue our answer as a Compliance Determination (CD). Well, frankly it has taken a long time to respond because this issue is closely related to the removable chassis litigation that was resolved in 1989 and we wanted to make sure our decision was legally sound and based on a thorough review of the program's regulations, statute and related correspondence. As I am sure most of you know, we had no shortage of material to review.

On the matter of issuing this decision as a Compliance Determination, we are using the CDs as a process to gather comments from you prior to HUD making a decision on a specific matter that can have an impact on most of the industry. However, we have concluded that issuing a CD on this question is not practical since there is no legal basis for any latitude on this matter.

Accordingly, I decided to send out this letter to all interested parties and not just those directly involved in this issue to ensure that this decision would get the same distribution as a Compliance Determination. Finally, we elected to send out our position by letter rather than go through formal rulemaking because the Department has determined, pursuant to 24 CFR 3282.113, that there is a need to get this information out to the industry quickly and it would not be in the public interest to delay our response any longer.



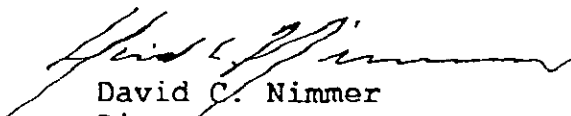
As you know, the statute for this program requires that a manufactured home must have a permanent chassis. In the past we have held that removal of the chassis was not allowable. However, we have allowed the removal of running gear assembly, lights, coupling mechanism and the drawbar upon delivery of the home based on the facts that these parts of the chassis were designed to be removed and are not structural for support of the home.

After revisiting this issue again and adding extra focus on removing a portion of the frame (wood or steel), we have concluded that if a manufactured home must have, at all times, a permanent chassis, then no part of any essential elements of the chassis may be removed. We have determined that all parts of the frame are essential parts of the chassis necessary to provide support both during transportation and on-site.

Even though our position has a very strong legal basis, we have decided that no enforcement action will be taken on this matter on homes already produced or any homes produced within 20 days from the date of this letter.

We appreciate your patience with us on this matter. If you or any of your staff have any questions, please direct them to Bob Fuller on 202/708-2210.

Sincerely,



David C. Nimmer  
Director  
Office of Manufactured Housing  
and Regulatory Functions

MEMORANDUM FOR: David Nimmer, Director, Office of Manufactured  
Housing and Regulatory Functions, HSR

FROM: Peter S. Race, Assistant General Counsel, Program  
Compliance Division, GPC

SUBJECT: Removal of a Portion of the Chassis from a  
Manufactured Home

This is in response to your request for guidance on the issues regarding: 1) whether a manufacturer may remove a piece of the frame from the chassis of a manufactured home, and 2) whether a DAPIA has the authority to approve manufactured home designs permitting the removal of part of the frame of the chassis. Based on a review of the statute, regulations and the Department's prior policies, the answer to these questions would be no. The following is the rationale why the Department does not permit removal of the chassis frame.

According to 42 U.S.C. § 5402(6) of the National Manufactured Housing Construction and Safety Standards Act of 1974 (the Act), a manufactured home is described as "a structure, transportable on one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis." (emphasis added). This definition of manufactured home, which requires the permanent chassis, differentiates manufactured housing from other types of factory built houses, such as modular or panelized housing. See, Letter from William C. Sorrentino of HUD to William Kalker (August 22, 1986) (reminder to DAPIAs to disapprove designs that permit the removal of the chassis).

Neither the statute nor its legislative history give a definition or an explanation of "permanent chassis," but the regulations clarify this term. Chassis is defined by the Department as "the entire transportation system comprising the following subsystems: drawbar and coupling mechanism, frame, running gear assembly, and lights." 24 C.F.R. § 3280.902(a) (1989). The common practice in the industry is to remove the running gear assembly, lights, coupling mechanism and the drawbar upon delivery of the home. The Department has held that these items may be removed at the time of installation, and the home still will comply with the standards and the Act's definition as long as these items are designed to be removed from the frame. See, Letter from Jesse C. McElroy of HUD to James Bond (November 26, 1980) (discussing the removal of running gear after delivery of a home as not violating HUD standards). At instal-

lation, the removal of the running gear does not affect the regulatory requirement of the chassis that requires it be "... safe and suitable for its specified use during the intended life of the manufactured home" and be effective in operation as a transportation system. 24 C.F.R. § 3280.904(a) (1989). It is the Department's position that a chassis may be permanent though one of its elements is removable, if the chassis is substantially permanent or if its essential parts are permanent. Letter from K.B. Sauerbrum of HUD to David Leroy (March 20, 1980) (concerning Idaho's SAA's misinterpretation of the definition of manufactured home). The frame is the essential part of the chassis. In one case, the Department stated that the removal of components other than the frame is acceptable because the structure's character as a manufactured home is not altered. Further, the Department stated if a home is designed to have removed "the traditional steel I-beams or any other structural part of the home necessary to withstand the transportation forces, then a home designed to have such a component removed does not have a permanent chassis." Letter from Silvio J. DeBartolomeis to Rep. John Hiler (October 27, 1986) (discussing permanent chassis issues).

In the regulations, frame is defined as "the fabricated rigid structure which provides considerable support to the affixed manufactured home structure both during transport and on site; and also provides a platform for securement of the running gear assembly, the drawbar and coupling mechanism." 24 C.F.R. § 3280.902(c) (1989) (emphasis added). The Department has required that the frame must be permanently attached to the manufactured home in order for the home to have a permanent chassis. Letter from Silvio J. DeBartolomeis to Rep. John Hiler (October 27, 1986). Traditionally, the frame has consisted of two steel I-beams, which run the length of the home. The main concept behind the production of the manufactured home was to design a home, which is "transportable." 42 U.S.C. § 5402(6) (1983). For a home to be constantly transportable, it requires a permanent transportation system. The system must be effective and sturdy during travel, and it must be supportive at installation to create a safe and durable home. See, 24 C.F.R. § 3280.904(a) (1989). Thus, the essential part of the chassis, the frame, must always be present.

The Department does make allowances for innovative techniques that are a change from the traditional version of the frame. There is no requirement that the homes must be constructed on a steel frame nor that the frame be of any particular design. The frame may be constructed of other materials and may be incorporated into the structure of the home; but there must be present some sort of frame engineered to withstand transportation conditions and to give necessary support for the lifetime of the home. See, 24 C.F.R. § 3280.904(a) note (1989). In the past, the Department has approved of wood frames, which are integrated

into the home's structure. In one such case, the Department had determined that "[t]he wood chassis is permanent" and therefore, the structure is a manufactured home. See, Letter from Philip Abrams of HUD to Gary Korpela (January 11, 1983) (regarding the integrated wood frame). Manufactured homes built with integrated frames must be checked on a case-by-case basis to determine what part is the frame. The frame must not be removed if the home is to have a permanent chassis and stay in accordance with the Act's definition.

In Association For Regulatory Reform v. Pierce, 670 F.Supp. 1041, 1050 (D.D.C. 1987), the permanent chassis issue was fully discussed, because ARR alleged that HUD had improperly modified the definition of manufactured home as defined by the Act. In court, the Department emphasized its position that the chassis is permanent " . . . as long as the underlying frame remains in place, which, in the vast majority of cases requires only the maintenance of the two steel I-beams." Id. at 1043. Further, the HUD policy, which allows removal of the running gear does not destroy "the permanence of the chassis." Id. at 1043. Based upon the regulations, the U.S. District Court for the District of Columbia found that the permanent chassis "entails a non-removable transportation system." Id. at 1050. This court sustained the Department's definition of permanent chassis. Id. at 1052.<sup>1</sup>

In conclusion, based on the language of the Act and regulations and the prior agency policy statements, we believe the Department has been correct in holding that manufactured homes must be designed and constructed with a permanent chassis and that to remove the frame or part of the frame would permit the removal of the essential element of the chassis. Any action to design or construct a home to allow such removal of the frame or part of the frame, would take the home outside the jurisdiction of the Act. However, this position specifically allows innovative engineering designs that provide for the frame to be integrated into the home's structure or allow for the frame to be designed in a manner to allow room for basement openings. It is essential that the whole frame be permanent, so that the home has the ability at all times to provide the necessary support during transportation and on site.

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<sup>1</sup>. While the U.S. District Court for the District of Columbia sustained the Department's definition and interpretation of permanent chassis, the Court of Appeals vacated the District Court's holding finding it unnecessary to rule on these issues. See, Association For Regulatory Reform v. Pierce, 849 F.2d 649 (D.C. Cir. 1988).