Regarding File Number: MW-2016-0163

Approximately 4 years ago talks began between our office at the MMHA and the PSC regarding the 5 years that a dealer/installer was responsible for installation defects. 2 years ago and after countless meetings with multiple Directors due to personnel changes and also the Commissioners themselves, we came to an agreement that involved our industry giving homeowner information to the PSC office within 48 hours of delivery, so that they could better monitor the quality of our setups and in exchange we would then get a 1 year/ 2 year liability. The topic of fees were discussed numerous times and agreed by BOTH parties that the term “may” access penalties was how this was to be written. If the word “shall” would have been required, our industry would have never taken part of this and we were quite adamant about this point. This includes the re-inspection process also. The changes that are proposed would then give an inspector the ability even when not warranted to do a re-inspection and then charge a fee of $200 to the dealer or installer. This again is not what we intended in the rule making process several years ago.

Consumer complaints are so low and the work that is being done in the field by installers proves that the current system works and doesn’t need more changes to benefit others, not the consumer. Majority of the rule changes being proposed are involving money. If the manufactured housing units program his hurting that bad, then maybe cut backs within their facility should be looked at, not have the consumers pay the debt. Look at the number of consumer complaints vs. number of units sold last year and you will see it is virtually non-existent.

I have spent time with my attorney involving the responsibility of the dealer to “arrange for the proper initial setup of the manufactured home”. The Missouri PSC stance seems to be that this means the installer is responsible to do the work. Our attorneys feel that this could mean that as long as the dealer/installer takes the appropriate steps, such as a waiver or document explaining that the consumer is required to use a licensed and insured contractor to perform the necessary tasks, then that in itself is arranging for the proper initial setup of the home. If I am to be required to hire an electrician for every home that I put statewide, sometimes as far as 150 miles away, this would require me to spend hours tracking these contractors down with no knowledge of their abilities or a cost until the job is completed.

My insurance company nor my installer will allow us to be involved with electrical or gas components. This alone would force me to then raise the cost of my homes an estimated $1,000 per home to insure I can get just that simple task handled for the consumer, of which they could most likely have done for them at a fraction of the cost. I would be responsible for getting their insurance, W9 info and paying for accounting also for tax purposes. At what point will my responsibility end? Should I also hire the moving truck, so the consumer doesn’t risk hurting their back during the moving process? Should I arrange for snow removal, so they don’t slip and fall during the winter? Common sense needs to prevail at times and allow for the consumer to handle some of the home buying experience.

Any fees that hit my company’s bottom line will then be added into my cost of business and passed along to the consumer through our pricing structure. The adoption of the HUD codes in 2005 have already raised the costs substantially for the consumers and this proposed rule changing will do exactly the same. Our industry is still struggling with sales that are a mere fraction of what they used to be. Even with the lower sales, we have more fees and more inspection processes than ever. The PSC has not shrunk like we have, but instead has insured their very existence through the growing level of random field inspections and now add fees to the list. A miscellaneous fee of $30 has just been re-instated by the PSC that will also be passed along to the consumers AGAIN this year. $30 per home with an expected sales volume of 1000 plus homes for 2016 means $30,000 or more from the consumers handed directly into the PSC pockets. Now a proposed change on modular units from $75 to $125 is wanted also. Manufacturers, dealers, communities and installers are all doing a great job and we do not need to be financially whipped anymore by government entities.

Thank you,

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