

Possible Uniform Act Concerning Manufactured Housing

A National Conference of Commissioners on Uniform State Laws (NCCUSL) Study Committee has been established to undertake consideration of whether it would be beneficial to develop and feasible to enact a Uniform or Model State Act respecting the status of manufactured housing and the creation and perfection of security interests in manufactured housing. Study committees are generally charged with gathering information and comment about a particular subject and with preparing a report and recommendation as to whether a drafting project should be undertaken.

In order to assist the Study Committee, NCCUSL has scheduled a stakeholders meeting for September 21, 2009, for persons who are knowledgeable about manufactured housing and manufactured housing finance and who would likely be participants in any debate on the subject if legislation is proposed. ABA will participate in the meeting. A memorandum providing additional information and important issues that will be considered at the meeting can be found at

<http://www.aba.com/aba/documents/GeneralCounsel/UniformLaws/ManufacturedHousingMemo.pdf>

<<http://mail.phillipsmurrah.com/exchweb/bin/redir.asp?URL=http://www.aba.com/aba/documents/GeneralCounsel/UniformLaws/ManufacturedHousingMemo.pdf>> .

As part of its effort, the Study Committee has been reviewing a proposal offered by Professor Ann M. Burkhart of the University of Minnesota School of Law. Her paper was highlighted in the 12/15/08 issue of ABA UCC/Uniform Law News and can be accessed at

<http://www.aba.com/aba/documents/GeneralCounsel/UniformLaws/ManufacturedHousingProposal.pdf>

<<http://mail.phillipsmurrah.com/exchweb/bin/redir.asp?URL=http://www.aba.com/aba/documents/GeneralCounsel/UniformLaws/ManufacturedHousingProposal.pdf>> . It begins as follows:

"Manufactured homes (often called mobile homes or MH) have become a major source of housing in the United States. Eight percent of the population live in them, and they constitute 7% of the national housing stock. In some states, the percentage is substantially higher. For example, in Alabama and in Mississippi, 15% of the housing units are manufactured. In South Carolina, 20% are manufactured. In most years, more than a quarter of the new single-family homes that have been sold were manufactured homes.

Despite the importance of MH to the housing market, many states characterize it as personal property. In these states, a manufactured home is titled and security interests are perfected in

the same manner as for a car. Lenders' remedies also are the same, including self-help repossession in some states. A uniform law that characterizes all MH as real property, except when it is inventory, will serve three important functions: (1) increasing the availability of financing for MH; (2) providing the same legal rights and remedies for MH mortgagors and mortgagees as exist for other forms of housing; and (3) creating uniformity in a chaotic area of law."

ABA would appreciate having your thoughts on whether it would be prudent to undertake such a drafting project, as well as the issues raised in the above memorandum and proposal. Please direct your comments to L.H. Wilson at lwilson@aba.com <<mailto:lwilson@aba.com>> or (202) 663-5030.

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