

West Virginia Manufactured Housing Construction and Safety Standards Board

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For more information, contact: Andy Gallagher (304) 415-4187

Andy_wvhi@verizon.net

Fines levied by State Board; Chairwoman Cook says informal talks can start

CHARLESTON – Eleven retail dealers were fined \$8,000 and four unlicensed firms were ordered to halt business until their paperwork was in order during a meeting Thursday of the state board that regulates factory-built housing.

At the same time, Chairwoman Fran Cook told representatives of the West Virginia Housing Institute Inc. that the West Virginia Manufactured Housing Construction and Safety Standards Board would be willing to meet informally with the industry to discuss issues of mutual concern.

The largest fine -- \$2,000 – was levied against Sigmon Mobile Home Center of Charleston, which has gone out of business. The case was sent to the state recovery fund. Another \$1,000 fine was charged against Smith and Jones Mobile Homes of Charleston, which also is out of business.

The remaining retail centers, five in West Virginia, and others in Kentucky and Maryland, were fined between \$250 and \$1,000 each for various violations, including using unlicensed contractors; operating without a valid license; failing to install a home properly; improperly transporting a home; and improperly altering a home.

Another 31 companies were cited for not properly filing quarterly reports with regulators. They were fined up to \$50 apiece.

The board agreed reduced to a reprimand a proposed \$250 fine against a Pennsylvania retailer, which was not properly licensed. It promised to obtain a license.

The State Board issued contractor licenses to Mate-Line Contracting of Victor, Fayette County; MSM Enterprises, Inc., of Calvin, Nicholas County; and Edgar's Cooling & Heating of Inwood, Berkeley County.

WVHI Co-President Kevin Wilfong reiterated his request the State Board begin informal discussions with the industry about issues of concern to both.

If the industry submits issues it would like to address, Cook said she will take those items to the State Board and separate committees will be established for the informal talks.

Wilfong, and WVHI Co-President Steve Brown, said they were pleased by Cook's comments. WVHI's board has been seeking informal talks with the State Board for nearly a year.

"The relationship (between the boards) has gotten to the place where it is really working and really working well," Brown asserted

The recovery fund, established by the industry to protect consumers from financial losses when a retailer goes out of business, now totals \$1.5 million.

The industry's creation of the fund was a selfless act, said board member Bob Miller of Charleston. "I think it's an extraordinary consumer program, extraordinary," Miller said.

Brown failed in his request that the State Board consider using some recovery fund money for a consumer education program.

Miller and State Board member Steve Solomon of Morgantown warned against using the funds for anything other than directly assisting consumers. Cook also said the fund had to be financially protected for consumers.

Mitch Woodrum, director of the manufactured housing section of the state Division of Labor, said 66 firms licensed by the State Board have gone out of business since 2002, including 46 retail dealers and six manufacturers. In that time, to protect 186 consumers that could have been hurt by those closings, the recovery fund paid out \$648,319.

On another matter, Woodrum said the agency has been informed recently that the U.S. Department of Housing and Urban Development no longer believes the states have to develop continuing education programs for licensees. He did not give a reason for HUD's apparent change in direction on the matter.

It has been a widespread belief in the industry that HUD would require the education programs at some point.

Woodrum reiterated the DOL believes retail dealers will face no major changes under new federal installation standards that go into effect Oct. 20. He also said the state expects to have its version of the installation program approved soon by HUD.