



Department of Commerce

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# Manufactured Homes Program

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Ohio Department of Commerce

Manufactured Homes Program

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**Shannon R. Himes**  
 Superintendent  
 Division of Industrial Compliance



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 Division of Real Estate & Professional Licensing

It's been about seven months since the Division of Real Estate and Professional Licensing (REPL) began working with applicants for manufactured housing dealer licenses, as well as current dealers/dealerships. In that time, we have identified several issues that either delay or derail the processing of applications or renewals for out-of-state and large dealership applicants.

One of the common deficiencies we continue to see is that dealership applications only contain information for one owner or officer when there are, in fact, numerous owners/members. It's important for dealership applicants to remember that all individuals owning 10 percent or more of the entity **MUST** be included on the application and submit a set of fingerprints. It is the responsibility of the applying entity to ensure every person owning 10 percent or more is listed on the application and fingerprinted.

Additionally, other issues that are critical to the processing of an application or renewal include:

- o The dealership must be registered to do business in the state with the Ohio Secretary of State.
- o A dealership must have an Ohio-licensed salesperson to operate the office at least 30 hours per week. Salesperson applications must be signed and attested to by a dealer of record. Each of those individuals' signatures must be notarized in the person's own county/state.
- o Please notify the division in writing when a salesperson is leaving or has left the company, the dealership is going out of business, the mailing address or phone number changes, etc.
- o If your dealership is outside of Ohio but advertises or sells to Ohio residents, you must be licensed as a Foreign Dealer.

[continued](#)

# Superintendents Article *continued*

- o In Ohio, manufactured home manufacturers may not sell directly to consumers. The Manufacturer's Certificate of Origin (MCO) must be made out to the dealership, then title transfers to the ultimate consumer when the sale is consummated.
- o For questions on taxes, please contact the Ohio Department of Taxation.

Physical dealership inspections are scheduled during the application process and performed prior to the approval of new dealer applications. We are working toward making periodic compliance visits in the near future. An existing dealer may request a compliance inspection at any time. This type of visit will be used to assist a dealer in assessing compliance and, where warranted, identify areas requiring corrective action. At that point, staff will work with the dealer as the dealer takes steps to remedy any deficiencies. We currently utilize this same approach with Ohio real estate companies and it has proven beneficial for both the licensee and our office. Please contact us at 614-466-4100 or [webreal@com.state.oh.us](mailto:webreal@com.state.oh.us) to find out more or to schedule a visit.



Shannon R. Himes



Anne M. Petit



DISPUTE

## DISPUTE RESOLUTION

The Division of Industrial Compliance (DIC) provides an opportunity for certain aggrieved parties to engage in the Dispute Resolution Program. "Dispute resolution" refers to a process for resolving differences between two or more parties outside of the courtroom. As it relates to the Manufactured Homes Program, homeowners, manufacturers, retailers and/or installers may have the opportunity to participate in mediation or an arbitration program to resolve their disputes and avoid the costly and time-consuming process of litigation.

## *Dispute Resolution continued*

The Dispute Resolution Program will be available to aggrieved parties who have a dispute relating to any of the following:

- Warranty issues on a new manufactured home
- Correction or repair of defects in a new manufactured home
- Problems with the installation of a new manufactured home

The program will not be available for other disputes, such as complaints between park owners and residents, or issues regarding maintenance or upkeep of older homes. For the qualifying disputes, any of the parties involved including homeowners, manufacturers, retailers or installers may seek to participate in the Dispute Resolution Program by filing a request with DIC.

## **Mediation**

If the request for dispute resolution is approved, the parties will be scheduled for mediation with REPL. Mediation is essentially a negotiated settlement of differences by an independent person assigned to aid contending parties. Participants in the Dispute Resolution Program will be assigned a mediator from a neutral list of candidates. The parties must pay a fee for the use of the mediator and the mediator must be approved by REPL. Once assigned, the mediator will listen to both parties' side of the story to assist in reaching a mutually beneficial agreement within 30 days. The mediation is not binding, and the parties are not forced into accepting any terms.

## **Arbitration**

If the parties cannot successfully mediate their dispute, they may then request an arbitration. Arbitration is more formal than mediation, and in many ways resembles a courtroom proceeding. It involves the choice of an arbitrator by REPL, who will hear facts and evidence. The arbitrator will then make a non-binding decision.

Like mediation, the cost of arbitration is paid by the parties involved. The arbitrator's decision will include any required corrective action and the amount of damages owed, if applicable. Parties who choose arbitration will have the proceeding at REPL and a decision must be reached within 45 days.

Because the arbitration is not binding, any party may choose to disregard the decision and instead pursue a civil resolution of their dispute.

It is the department's hope the Dispute Resolution Program will meet the needs of the industry and public to have a timely, cost-effective resolution of their new home and installation disputes. We encourage you to contact DIC to learn more about the process, or to see if you are eligible for the program.

## MH Park Inspections

With summer well underway, the Division of Industrial Compliance (DIC) and its partners have been very busy with manufactured home park inspections. Every manufactured home park in Ohio must undergo an annual inspection in order to maintain its license. Local health departments have the right of first refusal to conduct these inspections, but if they opt out, the inspection obligation falls to the division. The park inspection is a key component of manufactured home park regulation in Ohio, as it provides the division with a snapshot of park conditions and allows the division to address problems as they arise.



### What to Expect During Inspections

The annual inspection consists of a physical walk through of the park, wherein the inspector notes the conditions of the grounds, lots, roads, park lighting, office space and any other general areas of the park. Any violations of Ohio rules or law relating to manufactured home park regulations are noted on the inspector's report, which is then forwarded to the division for review. These inspection reports are a public record, and may be reviewed by filing a request with the division.

### Violation Process

Once the inspection reports are received, the division reviews and analyzes them to determine the appropriate course of action. If violations of park rules are noted, the division sends out 'Notices of Violation' to park operators, along with a requirement to make the requisite repairs or corrections within 30 days. Any reports of life safety issues are immediately addressed and will usually result in a follow-up visit by division investigators. Failure to make these corrections in the timeframe provided may result in the division taking disciplinary action against the park operator, up to and including fines, suspension, or revocation of the park license.

### Common Violations

So far this year, the most common violation noted by the division has been trash and debris in common areas: broken glass, fallen tree limbs, piled up garbage, etc. The violations are easily corrected, but also easily avoided with proper maintenance by park operators.

Less frequently noted, but more serious are the violations related to delayed maintenance of park infrastructure: decaying streets and potholes, broken street lights and broken sewage or water lines. The division encourages park operators to invest in their park systems and to maintain and systematically upgrade their infrastructure. While these regular investments may seem costly, they are far less than the potentially catastrophic cost of a major system failure.

Any park owner or operator who receives a 'Notice of Violation' is encouraged to contact the division to discuss the resolution of the violations. Division staff will gladly work with you to achieve compliance with rules and regulations.

## Manufactured Homes Program Rules

### *What you need to know about the process*

We are in the very beginning stages of the rule making process and our teams within the Divisions of Industrial Compliance and Real Estate and Professional Licensing have drafted an initial set of administrative rules that will govern the Manufactured Homes Program (“MHP”). These [draft rules were shared and discussed](#) with the Manufactured Homes Advisory Council over several meetings to gather preliminary feedback on how the rules will affect the council members’ various roles within the manufactured homes industry. Their thoughtful comments are now being reviewed for incorporation into a second draft of rules.

During this second round of drafting, the MHP is seeking public input from all interested stakeholders on the proposed rules. Stakeholders are encouraged to take a look at the rules and offer any comments or suggestions through our MHP email, [MHPProgram@com.ohio.gov](mailto:MHPProgram@com.ohio.gov). **Stakeholders have until Sept. 17, 2018**, to submit comments. Once this comment period closes, the MHP team will review those comments and develop a second draft of the rules. The rule package will then be sent to the Common Sense Initiative (“CSI”) for their review during which stakeholders will have an additional opportunity to provide comments. After a recommendation is received from CSI, the rules will continue on to the final stage of the rule making process and will be filed with the Joint Committee on Agency Rule Review (“JCARR”).

If you are interested in learning more about the CSI or JCARR process, please feel free to visit their websites, <http://governor.ohio.gov/Priorities-and-Initiatives/Common-Sense-Initiative> (CSI process) and <http://www.jcarr.state.oh.us/home> (JCARR process).

## Manufactured Housing Myth vs Fact



There are so many benefits to purchasing and living in a manufactured home! Many people don't know enough about them and what makes them so convenient and cost-effective.

Check out [these top manufactured home myths and facts](#) that debunk them, from Freddie Mac.



## Maintaining Fire Hydrants in MH Parks

If a manufactured homes community has a privately owned water supply, it is the responsibility of the park owner to maintain and test the fire hydrants. Maintaining fire hydrants is essential in ensuring the hydrants will work as designed in the event of a fire.

Here are some of the minimum requirements for the routine inspection, testing and maintenance of private hydrants, mains and water tanks:



- Hydrants and mains should be tested and inspected annually to ensure proper functioning
- Each hydrant should be opened fully to allow water to flow until all foreign material has been cleared
- Flow should be maintained for no less than one minute
- All equipment should be maintained in proper working condition
- Hydrants should be lubricated annually to ensure that all stems, caps, plugs and threads are in proper operating condition
- Hydrants should be kept free of snow, ice or other materials and protected against damage so that free access is ensured

For more information on the requirements regarding private fire hydrant maintenance as prescribed by the Ohio Fire Code, please see NFPA 25, Chapter 7, 2014 edition.



# Contact Us

## Q&A Session:

### Dealer Licenses for Manufactured Home Park Operators

**Q:** I operate a manufactured home community, actively licensed as such, and want to buy a new home from time to time to replace older homes. I've heard I need an active dealer license to do that. I thought I could purchase up to five homes in a year before I needed a dealer's license, and I know other park operators who are already doing this. So, do I need a dealer license?

**A:** Yes. The definition of "casual sale" found in Ohio Revised Code section 4781.01(K) clearly states that direct sales from a manufacturer to a buyer may not be considered a "casual sale," regardless of the number of homes the manufacturer transfers to the buyer (park). Therefore, in order to buy direct from a home manufacturer, the recipient/buyer must be an actively licensed dealer in the state of Ohio. This requirement extends to the operator/owner of a manufactured home community (park), as well. You will find the application for a dealer license, and all necessary information on the process at [https://www.com.ohio.gov/documents/mh\\_REPL-17-0022DealerBrokerApplication.pdf](https://www.com.ohio.gov/documents/mh_REPL-17-0022DealerBrokerApplication.pdf).

If you have any questions, please reach out to us at [webreal@com.state.oh.us](mailto:webreal@com.state.oh.us) or 614-466-4100.

## Contacts

### Installers

Ohio Construction Industry Licensing Board (OCILB)  
614-644-3495 or [Carol.Ross@com.state.oh.us](mailto:Carol.Ross@com.state.oh.us)

### Inspectors

Board of Building Standards  
614-644-2613 or [Michael.Lane@com.state.oh.us](mailto:Michael.Lane@com.state.oh.us)

### Installation Inspection/Seal Reports

Bureau of Building Code Compliance  
614-728-9104 or [Michelle.Grago@com.state.oh.us](mailto:Michelle.Grago@com.state.oh.us)

### Parks (including park complaints)

Ohio Construction Industry Licensing Board (OCILB)  
614-752-7127 or  
[Shamikka.Brookins@com.state.oh.us](mailto:Shamikka.Brookins@com.state.oh.us)

### Dealers/Brokers

Division of Real Estate & Professional Licensing  
614-466-3412 or [Webreal@com.state.oh.us](mailto:Webreal@com.state.oh.us)

### Salespersons

Division of Real Estate & Professional Licensing  
614-466-3412 or [Webreal@com.state.oh.us](mailto:Webreal@com.state.oh.us)

### Dispute Resolution

Division of Industrial Compliance Legal Section  
614-644-3297 or [Aaron.Johnston@com.state.oh.us](mailto:Aaron.Johnston@com.state.oh.us)



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