

Manufactured Homes Part 1: The Basics

**"A good home must be made, not bought."
-- Joyce Maynard, author and storyteller**

A growing number of Tennesseans live in manufactured homes, according to the U.S. Census Bureau. In 2000, Tennessee had 219,550 manufactured homes, or about 9 percent of the housing units in the state. By 2006, the number had risen to 287,655 manufactured homes, or about 12 percent of all housing units in Tennessee.

Special laws apply to the builders and buyers of manufactured homes. Some people still call these dwellings by their old name, "mobile homes."

Q. Aren't manufactured homes the same as mobile homes?

Not any more. Over thirty years ago, factory-built homes were commonly called mobile homes. They were built in large assembly factories and were then hauled to dealers.

"Manufactured homes" are factory-built, transportable homes that have been built since 1976, when the nation's only federally-regulated national building code, known as the HUD Code, took effect.

The U.S. Census Bureau defines a manufactured home as a movable dwelling that is 8 feet or more wide and 40 feet or more long, designed to be towed on its own chassis, using an engineered transportation system, without need of a permanent foundation. Manufactured homes include multi-wides and expandable manufactured homes.

Manufactured homes do not include modular homes, panelized homes, or pre-cut homes.

Q. How does this national building code work?

The HUD Code sets standards for manufactured homes on construction, durability, transportability, fire resistance, and energy efficiency. It also sets standards for heating, plumbing, air conditioning, insulation, and electrical systems. As home style consultant Martha Stewart might say about the HUD Code, "It's a good thing."

Q. What should I consider before buying a manufactured home?

When you buy a manufactured home, it is a good idea to buy from a local dealer in your town who is

well known. Before you buy, you can check out a dealer by calling the Better Business Bureau at (615) 242-4222.

When you buy your home, you will sign a purchase contract with the seller. Make sure you understand what the contract says. Find out what is covered by guarantees.

Like cars, manufactured homes decline in value over time. Shop around, and plan to do some research before you make a buying decision.

Q. What happens if I borrow money to buy a manufactured home?

If you get a loan to buy your manufactured home, then you will sign a loan contract. It will be like a car loan contract. It may or may not give you a grace period for late payments. You will get a "title," like a car title. The lending company will have a recorded lien on your title.

Your manufactured home can be repossessed if you miss payments. Repossession is when they can take back your manufactured home because you didn't pay. The contract should say what the lender will do if this happens. If you don't keep the home insured, the lender may repossess, or might buy the insurance and add the cost to your payments.

Next week: Part 2 – What happens if there are problems?

**by Jim Hawkins, Managing Attorney,
Gallatin office, Legal Aid Society**

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