

§ 3282.401 Purpose and scope.

(a) The purpose of this subpart is to establish a system under which the protections of the Act are provided with a minimum of formality and delay, but in which the rights of all parties are protected.

(b) This subpart sets out the procedures to be followed by manufacturers, State Administrative Agencies, primary inspection agencies, and the Secretary to assure that manufacturers provide notification and correction with respect to their manufactured homes as required by the Act. Notification and correction may be required to be provided with respect to manufactured homes that have been sold or otherwise released by the manufacturer to another party when the manufacturer, an SAA or the Secretary determines that an imminent safety hazard, serious defect, defect, or non-compliance may exist in those manufactured homes as set out herein.

(c) This subpart sets out the rights of dealers under section 613 of the Act, 42 U.S.C. 5412, to obtain remedies from manufacturers in certain circumstances.

§ 3282.402 General principles.

(a) Nothing in this subpart or in these regulations shall limit the rights of the purchaser under any contract or applicable law.

(b) The liability of manufactured home manufacturers to provide remedial actions under this subpart is limited by the principle that manufacturers are not responsible for failures that occur in manufactured homes or components solely as the result of normal year and aging, gross and unforeseeable consumer abuse, or unforeseeable neglect of maintenance.

(c) The extent of a manufacturer's responsibility for providing notification or correction depends upon the seriousness of problems for which the manufacturer is responsible under this subpart.

(d) When manufacturers act under § 3282.404 of these regulations, they will not be required to classify the problem that triggered their action as a non-compliance, defect, serious defect, or imminent safety hazard.

(e) It is the policy of these regulations that all consumer complaints or other information indicating the possible existence of an imminent safety hazard, serious defect, defect, or non-compliance should be referred to the manufacturer of the potentially affected manufactured homes as early as possible so that the manufacturer can begin to timely respond to the consumer and take any necessary remedial actions.

§ 3282.403 Consumer complaint and information referral.

When a consumer complaint or other information indicating the possible existence of a noncompliance, defect, serious defect, or imminent safety hazard is received by a State Administrative Agency or the Secretary, the SAA or the Secretary shall forward the complaint or other information to the manufacturer of the manufactured home in question. The SAA or the Secretary shall, when it appears from the complaint or other information that more than one manufactured home may be involved, simultaneously send a copy of the complaint or other information to the SAA of the State where the manufactured home was manufactured or to the Secretary if there is no such SAA, and when it appears that an imminent safety hazard or serious defect may be involved, simultaneously send a copy to the Secretary.

§ 3282.404 Notification pursuant to manufacturer's determination.

(a) The manufacturer shall provide notification as set out in this subpart with respect to all manufactured homes produced by the manufacturer in which there exists or may exist an imminent safety hazard or serious defect. The manufacturer shall provide such notification with respect to manufactured homes produced by the manufacturer in which a defect exists or may exist if the manufacturer has information indicating that the defect may exist in a class of manufactured homes that is identifiable because the cause of the defect or defects actually known to the manufacturer is such that the same defect would probably have been systematically introduced into more than one manufactured

home during the course of production. This information may include, but is not limited to, complaints that can be traced to the same cause, defects known to exist in supplies of components or parts, information related to the performance of a particular employee and information indicating a failure to follow quality control procedures with respect to a particular aspect of the manufactured home. A manufacturer is required to provide notification with respect to a noncompliance only after the issuance of a final determination under § 3282.407.

(b) Whenever the manufacturer receives from any source information that may indicate the existence of a problem in a manufactured home for which the manufacturer is responsible for providing notification under paragraph (a) of this section, the manufacturer shall, as soon as possible, but not later than 20 days after receipt of the information, carry out any necessary investigations and inspections to determine and shall determine whether the manufacturer is responsible for providing notification under paragraph (a) of this section. The manufacturer shall maintain complete records of all such information and determinations in a form that will allow the Secretary or an SAA readily to discern who made the determination with respect to a particular piece of information, what the determination was, and the basis for the determination. Such records shall be kept for a minimum of five years from the date the manufacturer received the information. Consumer complaints or other information indicating the possible existence of non-compliances or defects received prior to the effective date of this section shall, for purposes of this subpart, be deemed to have been received on the date this section became effective.

(c) If a manufacturer determines under paragraph (b) of this section that the manufacturer is responsible for providing notification under paragraph (a) of this section, the manufacturer shall prepare a plan for notification as set out in § 3282.409. Where the manufacturer is required to correct under § 3282.406, the manufacturer shall include in the plan provision for correction of affected manufactured homes.

The manufacturer shall, as soon as possible, but not later than 20 days after making the determination, submit the plan to one of the following, as appropriate:

(1) Where the manufactured homes covered by the plan were all manufactured in one State, to the SAA of the State of manufacture;

(2) Where the manufactured homes were manufactured in more than one State, to the Secretary; or

(3) Where there is no appropriate SAA under paragraph (c)(1) of this section, to the Secretary.

However, Where only one manufactured home is involved, the manufacturer need not submit the plan if the manufacturer corrects the manufactured home within the 20 day period. The manufacturer shall maintain, in the plant where the manufactured home was manufactured, a complete record of the correction. The record shall describe briefly the facts of the case and state what corrective actions were taken, and it shall be maintained in a separate file in a form that will allow the Secretary or an SAA to review all such corrections.

(d) Upon approval of the plan with any necessary changes, the manufacturer shall carry out the approved plan within the time limits stated in it.

(e) In any case, the manufacturer may act prior to obtaining approval of the plan. However, such action is subject to review and disapproval by the SAA of the State where the manufactured home is located, the SAA of the State where the manufactured home was manufactured, or the Secretary, except to the extent that agreement to the correction is obtained as described in this paragraph. To be assured that the corrective action will be accepted, the manufacturer may obtain the agreement of either SAA or the Secretary that the corrective action is adequate before the correction is made regardless of whether a plan has been submitted under paragraph (c) of this section. If such an agreement is obtained, the correction shall be accepted as adequate by all SAAs and the Secretary if the correction is made as agreed to and any imminent safety hazard or serious defect is eliminated.

(f) If the manufacturer wishes to obtain a waiver of the formal plan approval and notification requirements that would result from a determination under paragraph (b) of this section, the manufacturer may act under this paragraph. The plan approval and notification requirements shall be waived by either the SAA or the Secretary that would otherwise review the plan under paragraph (c) of this section if:

(1) The manufacturer, before the expiration of the time period determined under paragraph (c) of this section, shows to the satisfaction of the SAA or the Secretary, through such documentation as the SAA or the Secretary may require, that:

(i) The manufacturer has identified the class of possibly affected manufactured homes in accordance with § 3282.409.

(ii) The manufacturer will correct, at the manufacturer's expense, all affected manufactured homes in the class within 60 days of being informed that the request for waiver has been accepted; and

(iii) The proposed repairs are adequate to remove the failure to conform or imminent safety hazard that gave rise to the determination under paragraph (b) of this section; and

(2) The manufacturer corrects all affected manufactured homes within 60 days of being informed that the request for waiver has been accepted. The formal plan and notification requirements are waived pending final resolution of a waiver request under this paragraph (f) as of the date of such a request. If a waiver request is not accepted, the plan called for by paragraph (c) of this section shall be submitted within 5 days after the manufacturer is notified that the request was not accepted.

§ 3282.405 SAA responsibilities.

(a) As set out at § 3282.302(b)(5), each SAA is responsible for overseeing the handling of consumer complaints by manufacturers within the state. As part of that responsibility, the SAA is required to monitor manufacturer compliance with this subpart, and particularly with § 3282.404. This monitoring will be done primarily by periodically checking the records that manufactur-

ers are required to keep under § 3282.404(b).

(b) If the SAA acting under paragraph (a) finds that a manufacturer has failed to comply with § 3282.404, or if the SAA finds that the manufacturer has decided not to act under § 3282.404(c) where the SAA believes the manufacturer is required to act, or if the manufacturer failed to fulfill the requirements of § 3282.404(f) after requesting a waiver under that paragraph, the SAA shall make such preliminary determinations as it deems appropriate under § 3282.407(b), except that if the affected manufactured homes were manufactured in more than one state or if it appears that the appropriate preliminary determination would be an imminent safety hazard or serious defect, the SAA shall refer the matter to the Secretary.

(c) Where an SAA that is reviewing a plan under § 3282.404(c) finds that the manufacturer is not acting reasonably in refusing to accept changes to a proposed plan, the SAA shall make such preliminary determinations as may be appropriate under § 3282.407, except that where it appears that it would be appropriate to make a preliminary determination of imminent safety hazard or serious defect, the SAA shall refer the matter to the Secretary.

§ 3282.406 Required manufacturer correction.

A manufacturer required to furnish notification under § 3282.404 or § 3282.407 shall correct, at its expense, any imminent safety hazard or serious defect that can be related to an error in design or assembly of the manufactured home by the manufacturer, including an error in design or assembly of any component or system incorporated in the manufactured home by the manufacturer.

§ 3282.407 Notification and correction pursuant to administrative determination.

(a) *Preliminary determinations.* (1) Whenever the Secretary has information indicating the possible existence of an imminent safety hazard or serious defect in a manufactured home, the