

a dealer for purposes of that transaction.

§ 3282.252 Prohibition of sale.

(a) No distributor or dealer shall make use of any means of transportation affecting interstate or foreign commerce or the mails to sell, lease, or offer for sale or lease in the United States any manufactured home manufactured on or after the effective date of an applicable standard unless:

(1) There is affixed to the manufactured home a label certifying that the manufactured home conforms to applicable standards as required by § 3282.205(c), and

(2) The distributor or dealer, acting as a reasonable distributor or dealer, does not know that the manufactured home does not conform to any applicable standards.

(b) This prohibition applies to any affected manufactured homes until the completion of the entire sales transaction. A sales transaction with a purchaser is considered completed when all the goods and services that the dealer agreed to provide at the time the contract was entered into have been provided. Completion of a retail sale will be at the time the dealer completes set-up of the manufactured home if the dealer has agreed to provide the set-up, or at the time the dealer delivers the home to a transporter, if the dealer has not agreed to transport or set up the manufactured home, or to the site if the dealer has not agreed to provide set-up.

(c) This prohibition of sale does not apply to manufactured homes which are placed in production prior to the effective date of the standards, and it does not apply to "used" manufactured homes which are being sold or offered for sale after the first purchase in good faith for purposes other than the resale.

§ 3282.253 Removal of prohibition of sale.

(a) If a distributor or dealer has a manufactured home in its possession or a manufactured home with respect to which the sales transaction has not been completed, and the distributor or dealer, acting as a reasonable distributor or dealer, knows as a result of

notification by the manufacturer or otherwise that the manufactured home contains a failure to conform or imminent safety hazard, the distributor or dealer may seek the remedies available to him under § 3282.415.

(b) When, in accordance with § 3282.415, a manufacturer corrects a failure to conform to the applicable standard or an imminent safety hazard, the distributor or dealer, acting as a reasonable distributor or dealer, may accept the remedies provided by the manufacturer as having corrected the failure to conform or imminent safety hazard. The distributor or dealer, therefore, may sell, lease, or offer for sale or lease any manufactured home so corrected by the manufacturer.

(c) When a distributor or dealer is authorized by a manufacturer to correct a failure to conform to the applicable standard or an imminent safety hazard and completes the correction in accordance with the manufacturer's instructions, the distributor or dealer may sell, or lease or offer for sale or lease the manufactured home in question, provided that the distributor or dealer, acting as a reasonable distributor or dealer knows that the manufactured home conforms to the standards. A distributor or dealer and a manufacturer, at the manufacturer's option, may agree in advance that the distributor or dealer is authorized to make such corrections as the manufacturer believes are within the expertise of the dealer.

(d) If the corrections made under paragraphs (b) and (c) of this section do not bring the manufactured home into conformance or correct the imminent safety hazard, the provisions of § 3282.415 will continue in effect prior to completion of the sales transaction.

§ 3282.254 Distributor and dealer alterations.

(a) If a distributor or dealer alters a manufactured home in such a way as to create an imminent safety hazard or to create a condition which causes a failure to conform with applicable Federal standards, the manufactured home affected may not be sold, leased, or offered for sale or lease.