

§ 1924.260

7 CFR Ch. XVIII (1-1-08 Edition)

(c) FmHA or its successor agency under Public Law 103-354 will advise the contractor in writing of the borrower's complaint, the time and date of planned inspection by FmHA or its successor agency under Public Law 103-354 personnel, and request that the contractor accompany the inspector and borrower on a joint inspection of the property in an attempt to resolve the complaint.

(d) If, prior to the planned inspection, the contractor informs FmHA or its successor agency under Public Law 103-354 that the alleged defect(s) has been or will be corrected within 30 calendar days, FmHA or its successor agency under Public Law 103-354 will notify the borrower.

(e) If the case is not resolved as outlined in paragraph (d) of this section, FmHA or its successor agency under Public Law 103-354 will:

(1) [Reserved]

(2) Notify the borrower, contractor and manufacturer, if applicable, in writing of FmHA or its successor agency under Public Law 103-354's findings and who has been determined responsible for correcting the defect(s).

(i) If the defects are determined to be covered under the contractor's warranty, FmHA or its successor agency under Public Law 103-354 will advise the contractor that the repairs must be completed within 30 calendar days or other time period agreed to by the borrower, the contractor, and FmHA or its successor agency under Public Law 103-354.

(ii) FmHA or its successor agency under Public Law 103-354 will further advise the contractor and/or manufacturer that if the defect(s) are not corrected, the Government will consider compensating the borrower for the costs of correcting the defect(s). In such a case, the contractor and/or manufacturer may be liable for costs paid by the Government and may be subject to suspension and/or debarment pursuant to subpart M of part 1940 of this chapter (available in any FmHA or its successor agency under Public Law 103-354 office). Even if the manufacturer is determined to be solely responsible for the defect, the contractor will still be held liable for correction of the defect.

(3) Should a contractor refuse to correct a defect after being officially requested in writing to do so, FmHA or its successor agency under Public Law 103-354 will promptly institute formal suspension and debarment proceedings against the contractor (as a company and as individual(s)) in accordance with subpart M of part 1940 of this chapter (available in any FmHA or its successor agency under Public Law 103-354 office). The contractor's failure to reply to official correspondence or inability to correct a defect constitutes noncompliance.

(4) If the contractor is willing to correct legitimate defects but the borrower refuses to permit this, FmHA or its successor agency under Public Law 103-354 will document the facts in the borrower's case file. If the borrower chooses to file a claim for compensation for these defects, the circumstances of the borrower's refusal will be reviewed and may be sufficient grounds for disapproval of the claim.

(f)-(h) [Reserved]

**§ 1924.260 Handling manufactured housing (unit) construction complaints.**

When a borrower who has purchased a manufactured home (or "unit") complains about construction defects, the borrower will be instructed to first contact the dealer-contractor from whom the unit was purchased. FmHA or its successor agency under Public Law 103-354 will assist the borrower in obtaining assistance through the dealer-contractor's and/or HUD's complaint resolution process. If the dealer-contractor cannot resolve the complaint, the borrower should contact the appropriate State Administrative Agency (SAA) or HUD. If the complaint resolution process does not result in the correction of the defect, the borrower's complaint will be handled in accordance with § 1924.259 of this subpart.

**§ 1924.261 Handling complaints involving dwellings covered by an independent or insured home warranty plan.**

Borrowers with complaints about dwellings covered by an independent or insured home warranty plan will be instructed to first contact the warranty