

SCS SB 630 -- MANUFACTURED HOMES

SPONSOR: Cunningham (Jones, 117)

COMMITTEE ACTION: Voted "do pass" by the Committee on Financial Institutions by a vote of 12 to 0.

This substitute changes the laws regarding manufactured homes. In its main provisions, the substitute:

- (1) Requires a manufactured home to be permanently affixed if it is anchored to real estate by attachment to a permanent foundation and connected to residential utilities to qualify as real property and requires an affidavit of affixation to contain certain specified information and to be filed with the recorder of deeds of the county in which the real estate is located;
- (2) Allows a manufactured home once deemed to be real estate to be governed by the laws applicable to real estate;
- (3) Requires a certified copy of an affidavit of severance to be filed with the Director of the Department of Revenue when a manufactured home is removed from its permanent foundation stating the name, residence, and mailing address of the owner as well as the property description and any information that could affect the validity of the title of the manufactured home or the existence of a security interest or lien;
- (4) Prohibits the department director from issuing a certificate of title to a manufactured home when an affidavit of affixation has been recorded. The issuance is only allowed upon the recording of an affidavit of severance. The department director must maintain a record of each affidavit of affixation and each affidavit of severance;
- (5) Requires the department to establish standard affidavit of affixation forms, affidavit of severance forms, and confirmation of conversion forms that comply with the provisions of Section 700.111, RSMo;
- (6) Authorizes the Missouri Public Service Commission to suspend, revoke, or place on probation the license of a manufactured home dealer for failure to obtain a written notice signed and dated by the purchaser of a used manufactured home or modular unit which states that the commission does not regulate the setup of used manufactured homes and modular units sold by the dealer;
- (7) Requires a lienholder to notify the department director within 10 business days of any release of a lien if an electronic

certificate of ownership is being held by the department director;

(8) Requires the holder of any security interest in a manufactured home to verify to the department that he or she has paid all past due rent which the holder is obligated to pay to the landowner if the home was repossessed;

(9) Specifies the conditions which determine a manufactured home to be abandoned when located on another person's property;

(10) Changes the process for enforcing liens for unpaid rent against a manufactured home. Landowners must provide the homeowner with written notice prior to enforcing the lien and give him or her the opportunity to pay any rent owed. The notice must advise the homeowner of his or her legal rights including the right to contest the lien; and if the homeowner does not redeem the home within 30 days from the date of mailing the notice and no petition has been filed in circuit court to contest the lien within 10 days of the receipt of the notice, the landowner may apply for a certificate of title;

(11) Authorizes the landowner to begin proceedings to sell a home within 30 days of receipt of the lien title;

(12) Requires the homeowner to be given at least 20 days' notice of the sale of a home;

(13) Specifies how the proceeds of a sale are to be distributed;

(14) Allows an owner of an abandoned manufactured home to contest a lien brought by the landowner by filing a petition within 10 days of the mailing of the notice in the appropriate circuit court; and

(15) Prohibits perfected lienholders or homeowners of an abandoned manufactured home located on property which is being leased from removing the home until the landlord is paid any rent owed.

The provisions regarding a manufactured home as real property become effective March 1, 2011.

FISCAL NOTE: Estimated Income on General Revenue Fund of Unknown - Not expected to exceed \$100,000 in FY 2011, FY 2012, and FY 2013. No impact on Other State Funds in FY 2011, FY 2012, and FY 2013.

PROPONENTS: Supporters say that the bill will help consumers purchase manufactured homes by allowing the home to be treated as

real property so lenders can write mortgage loans for them. Currently, a manufactured home is treated as personal property so a mortgage loan cannot be obtained.

Testifying for the bill were Senator Cunningham; Missouri Land Title Association; Missouri Association of Realtors; Missouri Manufactured Housing Association; Recorders' Association of Missouri; Missouri Financial Services Association; Mortgage Bankers Association of Missouri; Missouri Credit Union Association; and Missouri Bankers Association.

OPPONENTS: There was no opposition voiced to the committee.