

SC Manufactured Housing Board
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Tuesday, June 14, 2005 - 10:00 AM
110 Centerview Drive
Kingstree Building Suite 108
Columbia, South Carolina

MEMBERS PRESENT

Ralph Camp (Chairman)
Thomas Gamble
Paul Laurent
Clarence Strickland
Sharon Johnson
Timothy Holt
Randall Altman (Vice Chairman)

STAFF

David Bennett
Angela Scott
Rick Wilson
Michael Platt
Michael Anderson

OTHERS PRESENT

Mark Dillard
Con Eargle
Bruce Kelly
Dave Fautly
Vanessa Gardner
Robert Rozetta
Michael Yackle
Marion Parris
Henry Drury
Connie Yackle
Art Newton

NOTE: Public Notice of this meeting was properly posted at the Board office and provided to any requesting persons, organizations, or news media in compliance with Section 30-4-80 of the 1976 South Carolina Code of Laws, as amended, relating to the Freedom of Information Act.

Call to Order

The June 14, 2005, Manufactured Housing Board meeting was called to order by Chairman Ralph Camp at approximately 10:00 a.m.

Approval of Agenda

Chairman Camp called for the approval of the agenda as previously noted. After review, Mr. Altman made a motion, seconded by Ms. Johnson, to approve the amended agenda, adding Item 3 Manufacturer's Installation Instructions under unfinished and adding Item 1 NASCLA under new business. The motion was unanimously carried.

Approval of Minutes

Chairman Camp called for the review and approval of the April 12, 2005, minutes. After review, Mr. Laurent made a motion, seconded by Mr. Gamble, to approve the minutes. The motion was unanimously carried.

Excused Members

Chairman Camp informed the Board that Mr. Levy and Mr. Iseman were not able to attend the meeting. Mr. Altman made a motion, seconded by Mr. Gamble, to excuse those members' absences. The motion was unanimously carried.

Progress Reports

Status Report-Manufactured Housing

The status reports for April and May 2005 were reviewed. Copies of the status reports are attached and hereby become part of the record.

New Licenses

Reports listing the licenses issued for April and May 2005 for Dealers, Manufacturers, Multi-Lot Salespersons, Contractors, Installers and Repairers were reviewed. Copies of the new reports are attached and hereby become part of the record.

Administrative Hearings

Reports of Administrative Hearings for April and May 2005 were reviewed. Copies of the administrative hearing reports are attached and hereby become part of the record.

Unfinished Business

Credit Reports

Mr. Bennett informed the Board that the new regulations require the applicant provide a credit report to the Department for the owner or authorized official or entity of the retail dealer. He stated that staff would like some guidelines as to what to look for when reading the credit reports.

Mr. Altman gave a brief description on how to read credit reports. After review and discussion, Mr. Holt made a motion, seconded by Mr. Strickland, that staff present all new and renewal dealership license application for approval to the Board when the credit report of the owner or owner's indicates any of the following:

- ?? Beacon Score is less than 650;
- ?? Public records of bankruptcy, unpaid liens, judgements and collections; and
- ?? Child Support payments in arrears.

The motion was unanimously carried.

H.3883

Mr. Bennett informed the Board that the H.3883 Bill (2005 Act No. 175) that was passed on Tuesday, June 7, 2005, allows real estate salesman and brokers to sell manufactured homes. He stated that the following information was deleted from the regulations Section 40-29-30(13):

“Manufactured Home Retail Dealer” does not include banks and finance companies that acquire manufactured homes as an incident to their regular business, if no more than four homes are acquired in any twelve month period for sale, exchange or transfer or if more than four are acquired, the sale, exchange, or transfer of these homes is conducted in accordance with Section 40-29-200(H).

The following was removed from Section 40-29-200(C):

For sale or sells a manufactured home for an individual who is the owner of not more than two manufactured homes or for banks and finance companies licensed by the South Carolina Manufactured Housing Board that acquire manufactured homes which are situated on or affixed to real property as an incident to their regular business.

The following was added to Section 40-29-200(C):

Or attempts to negotiate for any legal entity the listing, sale, purchase, exchange, lease, or other disposition of a used manufactured or mobile home in conjunction with the listing, sale, purchase, exchange, lease, or other disposition of real estate upon which the used manufactured or mobile home is located.

Section 40-29-200(H) was removed from the regulations.

Mr. Holt asked whether the Manufactured Housing Board has any responsibility if the buyer of one of these homes has a complaint. Mr. Bennett stated that the Manufactured Housing Board does not have a license or bond on real estate salespersons or brokers, therefore, the Board has no jurisdiction.

Mr. Rick Wilson and Mr. Michael Platt both stated that complaints should be referred to the Real Estate Commission.

Manufacturer’s Installation Instructions

Mr. Bennett informed the Board that the Board requires that all manufactured homes are installed per the Manufacturer’s Installation Instructions and some installers are trying to delegate the responsibility for site preparation to the homeowners. If the homeowners agree the installers will be signing away legal responsibilities of site preparation that is required and must be done by a licensed dealer, installer or contractor.

Henry Drury, General Manager of Oakwood Homes, Inc., Greenwood, South Carolina, stated that getting financing for site preparation for home-only sales is difficult and making site preparation mandatory will make financing more difficult.

After much review and discussion, the Board agreed that all manufactured home installations include site preparation and, if a dealer contracts with an installer, then that installer has the responsibility for meeting the set-up requirements.

New Business

NASCLA

Mr. Bennett informed the Board that NASCLA (National Association of State Contractors Licensing Agencies) would no longer update and print the manufactured housing reference publication, unless the Board came come up with some recommendations or a solution to make it cost effective. NASCLA feels it is no longer cost effective to continue printing the book and dealers are the only licensees who is required to purchase the book.

Mr. Bennett made a recommendation to have all salespersons purchase the book.

Mr. Holt made a recommendation to have the book put on CD-ROM instead of paper form. He also recommended that instead of printing the book over annually, to periodically update the book.

Mark Dillard asked whether PSI was updating the manufactured housing examination questions. Mr. Bennett stated that PSI gets all the changes that are made and updates the examination questions.

Bond Claims

The bond claims submitted were reviewed. Mr. Strickland asked about the status of Ernest Dubose's licensure. Mr. Bennett stated that Mr. Dubose was no longer in business. After review and discussion of the bond claims presented, Mr. Strickland made a motion, seconded by Mr. Gamble, to approve the bond claims submitted. The motion was unanimously carried.

Owner Installation

Mr. Bennett informed the Board that staff have received requests from individuals who have purchased used manufactured homes and who would like to install their own homes.

After review and discussion of owner installation, Mr. Holt made a motion, seconded by Mr. Laurent, that all manufactured homes; new and used must be installed by a licensed installer or retail dealer. The motion was unanimously carried.

E & O Insurance

Mr. Bennett informed the Board that a dealer would like to substitute their Errors and Omission Insurance Company (E&O Insurance) insurance policy in place of the surety bond required by the Board. After review and discussion of Errors and Omission Insurance Policies, the Board decided they would not accept the policy because the Board could not file against it, and the Board could not accept any insurance that it could not file claims against.

Application Review

Warren A. Henderson, Jr.

The Board reviewed the retail salesperson application of Mr. Warren A. Henderson, Jr. Mr. Strickland asked the Board if he could be recused because he would be giving testimony. Mr. Altman swore in Mr. Connie Yackle, Mr. Michael Yackle and Mr. Clarence Strickland.

Mr. Bennett informed the Board that he received a letter from Mr. Marvin E. McMillian, Esquire, that he would no longer be representing Mr. Henderson. He stated that Mr. Henderson was notified by regular and certified mailed of the hearing and was not in attendance. Mr. Bennett stated that witnesses were present to give testimony and asked the Board to hear the case.

The Board considered the request and, noting the presence of the witnesses, agreed to hear the case. Mr. Bennett informed the Board that Mr. Henderson applied for a retail salesperson license and, upon staff review of the application, questions arose regarding the Applicant's conduct, character and fitness for licensure. While previously licensed, Mr. Henderson committed several acts of misconduct in the practice of manufactured home sales. It was established that while employed with Capitol City Housing, Mr. Henderson received a twenty –five hundred (\$2,500) dollar downpayment from Ms. Kim Langford and only gave her credit for fifteen hundred (\$1,500) dollars. Ms. Langford filed a compliant two years later and

staff notified Mr. Henderson of the complaint. Mr. Henderson refunded the money. Afterwards, staff contacted Mr. Clarence Strickland, owner of Capitol City Housing, and was informed that Mr. Henderson had taken money from Mr. Michael Yackle, Mrs. Kimberly Koth, and Mr. Rodney Ruffin for downpayments on manufactured homes.

Mr. Strickland testified that Mr. Henderson did not turn in any of the money and, since the customers had receipts, Capital City Housing had reimbursed most of the customers but not all.

After hearing testimony, Mr. Gamble made a motion, seconded by Ms. Johnson, to deny Mr. Henderson's application for a retail salesperson license. The motion was unanimously carried.

(Official transcripts of the aforementioned person's appearance before the Board are available upon request for a thirty-day time period.)

Marion Parris Petition Before The Board

The Board reviewed the Mr. Marion Parris petition. Mr. Altman swore in Mr. Parris. Mr. Parris waived his rights to counsel.

Mr. Bennett informed the Board that Mr. Parris filed a petition requesting reinstatement of a license to engage in the business of selling as a manufactured home dealer and salesperson in this state. At that time it was established that Mr. Parris was previously been the subject of disciplinary action by the Board. Mr. Parris' license was indefinitely suspended by Final Order of the Board dated January 17, 2000, based upon his conviction of twenty-two (22) counts of embezzlement and two (2) counts of writing worthless checks in the State of North Carolina. The order was also based on false answers provided by Mr. Parris the application for licensure in this state as a Manufactured Housing Dealer on four (4) separate occasions over a period of 2 years. Mr. Parris was also convicted in South Carolina of Breach of Trust with fraudulent intent, filed April 4, 2005.

After hearing testimony, Mr. Strickland made a motion, seconded by Ms. Johnson, to deny Mr. Parris' petition. The motion carried with one nay vote.

(Official transcripts of the aforementioned person's appearance before the Board are available upon request for a thirty-day time period.)

Public Comments

Mark Dillard

Mr. Mark Dillard from the Manufactured Housing Institute of South Carolina introduced the Board to Mr. Robert Rozetta, Ms. Vanessa Gardner and thanked them for attending the meeting.

Date of Next Meeting

Tuesday, August 9, 2005

Adjournment:

There being no further business, Mr. Strickland made a motion, seconded by Mr. Altman, to adjourn. The motion was unanimously carried. The meeting was adjourned at 12:15 p.m.