

Tuesday, August 8, 2006 - 10:00 AM
110 Centerview Drive
Kingstree Building Suite 108
Columbia, South Carolina

MEMBERS PRESENT

Ralph Camp (Chairman)
Randall Altman (Vice Chairman)
Paul Laurent
Clarence Strickland
Timothy Holt
Jane Ballagh
Vanessa Gardner
Michael Platt
Wayne Iseman
Sharon Johnson

STAFF

David Bennett
Angela Scott
Rick Wilson (Advice Attorney)
Charlie Ido
Ron Cook

OTHERS PRESENT

Eric Gore Mark Dillard
Con Eargle

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

On August 8, 2006, Chairman Ralph Camp called the Manufactured Housing Board meeting to order at approximately 10:00 a.m.

Approval of Agenda

Chairman Camp called for the approval of the agenda as previously noted. After review, Mr. Iseman made a motion, seconded by Mr. Altman, to approve the agenda adding committee report under unfinished business and bond claims under new business. The motion was unanimously carried.

Approval of Minutes

Chairman Camp called for the review and approval of the June 13, 2006, minutes. After review, Mr. Holt made a motion, seconded by Mr. Laurent, to approve the minutes. The motion was unanimously carried.

Excused Members

Chairman Camp informed the Board that Mr. Levy was not able to attend the meeting. Ms. Ballagh made a motion, seconded by Mr. Strickland, to excuse member absences. The motion was unanimously carried.

Progress Report

Status Report-Manufactured Housing

The status reports for June and July 2006 were reviewed. Copies of the status reports are attached and hereby become part of the record.

New Licenses

Report listing the licenses issued for June and July 2006 for Dealers, Manufacturers, Multi-Lot Salespersons, Contractors, Installers and Repairers was reviewed. Copies of the new reports are attached and hereby become part of the record.

Administrative Hearings

Reports of Administrative Hearings for June and July 2006 were reviewed. Copies of the administrative hearing report are attached and hereby become part of the record.

Unfinished Business

Beach Homes Update

Mr. Bennett introduced Mr. Ron Cook, Investigator for The Office of Investigations. Mr. Cook stated on May 10, 2006, the Board entered into a Consent Agreement with Mr. Randy Conner, owner of Beach Homes Corp. The Agreement stated that Mr. Conner shall sell, transfer, or otherwise dispose of its current inventory of manufactured homes to other licensed persons or entities within sixty (60) days of the execution of the Consent Agreement. Also, that staff must investigate within thirty (30) days and again within (60) days of the sales records of the Respondent to verify compliance with the consent agreement. He stated that he and Mr. Reginald Kirby, Investigator for the Manufactured Housing Board, met with Mr. Conner and Mr. Conner affirmed that he has not had any inventory since January 2006. The property was sold to Leader Funding Incorporated. He informed the Board based on the investigation and reports sent in to Mr. Kent Lessene, a sixty (60) day investigation would not be necessary.

After review and discussion, the Board agreed with the update given by Mr. Cook.

Committee Report

Mr. Tim Holt informed the Board at the request of the Board he, Ms. Vanessa Gardner, and Mr. Paul Laurent met regarding Net Worth and Liquidity Requirements for Manufactured Housing Retail Dealers. The following were the committee's concerns and recommendations

1. Issue of Concern:

The law specifies that an applicant for a Dealer's License must "demonstrate financial responsibility" and have "two years relevant experience." What is "responsible" and relevant" has been left open to interpretation. The current staff procedure is to present an application for license to the Board when the net worth is less than one hundred fifty thousand (\$150,000) dollars or the Beacon score is less than six hundred fifty (650) or the credit report indicates a bankruptcy, child support arrears, a lien or a judgment. Our mutual concern is to preempt consumer protection problems by establishing guidelines up front that ensure a dealership is not doomed to failure before it even starts.

2. Recommendation – Financial Responsibility

Since startup costs and cash needs represent a significant investment, we should add a requirement that Working Capital (cash, checking, CD's be readily available in the dealership financial statement) be no less than fifty thousand (\$50,000) dollars to qualify for a retail dealer license. This criteria should be the same for all prospective dealers with any exceptions to be brought before the Board.

Additionally, the applicant should show proof of floor-plan approval or other means of financing inventory. If the applicant intends to pay cash for inventory, then they need to show proof of extent of capital. Repo centers should provide a written agreement from their inventory source. Investors should prove their commitment by depositing funds into the dealership bank accounts.

3. Relevant Experience – Being actively employed as a Salesperson by a licensed Dealer for a minimum of three years qualifies as relevant experience.

After review and discussion, Ms. Ballagh made a motion, seconded by Mr. Iseman, to approve the guidelines as amended. The motion was unanimously carried.

New Business

Bond Claim

After review and discussion of the bond claims presented, Mr. Altman made a motion, seconded by Mr. Strickland, to approve the bond claims submitted. The motion was unanimously carried.

Board Clarification

Mr. Bennett informed the Board that staff has received several inquiries from local jurisdictions seeking clarification on what license is required to install a manufactured home and what licenses are acceptable to repair or modify a manufactured home, and should repairs comply with the Manufactured Home Construction and Safety Standards or the International Residential Code. He stated that staff along with Mr. Rick Wilson, has prepared a document for the Board's review to attempt to clarify these issues.

INSTALLATION

The only licenses acceptable for the installation of manufactured homes are the manufactured home contractor and manufactured home installer licenses. These are in addition to a Retail Dealer license for homes the dealer sells. A residential builder or general contractor license is not acceptable for installation.

REPAIR, ALTERATION, MODIFICATION

Several licenses are acceptable for the repair, alteration, or modification to the structural, mechanical, or electrical systems of a manufactured home. Please note the electrical system is the wiring located within the home; it does not include the supply from the meter base to the panel box. Licenses acceptable are manufactured home contractor and manufactured home repairer. A Retail Dealer license is also acceptable for performing repairs to homes sold by the dealer. In addition, a residential builder's license is acceptable for any work authorized by the Residential Builders Commission under the license. A residential specialty contractor is authorized to perform repairs on manufactured homes; however, the contractor is limited to no more than three classifications recognized by the Residential Builders Commission. Also, a general contractor's license is acceptable for any work authorized by the Contractors Licensing Board. An employee working directly for a licensed retail dealer or manufacturer is also authorized to perform repairs, alterations, and modifications for his/her employer.

A permanent label is affixed to each transportable section of a manufactured home intended for sale in the United States when it leaves the manufacturing facility.

The label reads as follows:

As evidenced by this label No. ABC xxxxxx, the manufacturer certifies to the best of the manufacturer's knowledge and belief that this manufactured home has been inspected in accordance with the requirements of the Department of Housing and Urban Development and is constructed in conformance with the Manufactured Home Construction and Safety Standards in effect on the date of manufacture. See data plate.

Based on the above, state and federal statutes for manufactured housing apply to new structures only. Neither law addresses physical renovations to the structure nor modifications of the original design after the unit is installed and occupied. Renovations, repairs, or modifications to manufactured homes are under the jurisdiction of the local authority where the home is located. Currently, the law in South Carolina requires every local jurisdiction to use the 2003 edition of the International Residential Code for all work performed on single and two family residences. There is no distinction as to whether the home is factory fabricated or site constructed. The only exception for manufactured homes concerns repairs performed by a qualified manufacturer's technician during the warranty period. In this case, repairs are to comply with the Manufactured Home Construction and Safety Standards.

Any questions concerning this matter should be directed to the Board office at (803)896-4682.

After review and discussion, the Board agreed to accept the clarifications presented by staff.

Eric Addison Petition To The Board

Mr. Bennett informed the Board Mr. Eric Addison appeared before the Board with counsel on August 10, 2004. It was established at that time that Mr. Addison had ten felony charges pending for receiving stolen goods and related charges. The Board granted Mr. Addison a probationary license that would remain in effect for an indefinite period pending resolution of the felony charges. Mr. Bennett stated since that time Mr. Addison has presented information

showing that the Solicitor dismissed those charges on April 6, 2006, because Mr. Addison successfully completed the Pre-Trial Intervention Program.

After review and discussion, Mr. Strickland, made a motion seconded by Mr. Altman to lift the probationary status from Mr. Addison's 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.)

Date of Next Meeting

Tuesday, October 10, 2006, Room 108

Adjournment:

There being no further business, Mr. Altman made a motion, seconded by Mr. Iseman, to adjourn. The motion was unanimously carried. The meeting was adjourned at 11:00 a.m.