



## **Special Bulletin 2016-02**

U.S. Department of Housing and Urban Development memorandum dated February 25, 2016 details specific manufacturer and IPIA responsibilities which become effective 90 days from the date of the memorandum.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

February 25, 2016

MEMORANDUM FOR: All PIAs and SAAs

A handwritten signature in black ink, appearing to read "Pamela Beck Danner".

FROM: Pamela Beck Danner, Administrator  
Office of Manufactured Housing Programs

SUBJECT: Manufacturer and IPIA Responsibilities - Off-line  
Fabrication of Components of a Manufactured Home  
and Those Produced by Independent Suppliers

This memorandum is being issued to clarify home manufacturer and IPIA responsibilities regarding components of a manufactured home that are either: 1) fabricated off-line by the manufacturer, (within the home manufacturer's production facility or at off-site manufacturer locations), or 2) produced by other entities. It has come to HUD's attention that some fabricated components used in manufactured homes such as frames, that are not listed or certified, are being produced off-line and in other instances are being purchased from unaffiliated, independent entities. In cases where the component is built at an off-line location under the control or ownership of the home manufacturer's corporation or parent corporation, the home manufacturer's quality assurance manual must clearly address the production and inspection of the component. The production process for off-line components is also subject to the certification inspection and ongoing surveillance inspections by the IPIA during each visit to a home manufacturer's facility as required by §3282.362.

Manufacturer Fabricated Components

Regardless of where the work is performed, at the manufacturer's production facility or at an off-site home manufacturer location, whenever components are fabricated by the manufacturer, the work areas or stations where the work is being performed need to be incorporated into the production process and addressed within the overall quality assurance manual and quality control inspections that are performed by the manufacturer.

In either case, the manufacturer must provide a description of the work being completed in each station and identify a list of quality control inspections performed by the accountable personnel at each station. The manufacturer must also develop and implement a system that identifies the method by which it will integrate the work products or components built in the off-line production station(s) as part of the production process. Some of the more common off-line production stations include but are not limited to work areas for the fabrication of the chassis, plumbing systems, walls, and roofs. The manufacturer must identify these previously mentioned requirements (i.e., work station description and list of inspections) in its quality assurance manual in accordance with §3282.203(c).

As required by §3282.361(a), the manufacturer's quality assurance manual, as part of its quality control program, must commit the manufacturer to make adequate inspections and tests of every part of every manufactured home produced.

#### Independent Supplier Fabricated Components

If the component of a manufactured home is purchased from an independent supplier that is not under the control or ownership of the home manufacturer corporation, then the home manufacturer must clearly address the incoming materials receipt and inspection process in its quality assurance manual for that component(s). Further, the IPIA must ensure that the manufacturer conducts the appropriate receiving and acceptance inspections during its initial plant inspection and continue validation through ongoing surveillance of the manufacturer's quality assurance manual and production process.

#### Summary of Responsibilities

If a home manufacturing corporation builds and ships frames from an off-site production location, which is under the control or ownership of the home manufacturer corporation or parent corporation, to the main production facility, the manufacturer must ensure that the frame is inspected as part of its production and quality assurance process for proper compliance, prior to the frame being introduced to the on-line production process. The IPIA is also required to conduct an inspection at this phase or stage of production at the off-site facility, as part of its ongoing surveillance responsibility, along with making sure that the manufacturer follows its quality assurance manual.

In contrast, if a home manufacturer purchases frames from an off-site location that has no association or corporate affiliation with the home manufacturer (i.e., independent supplier), then the manufacturer is still required to ensure that the frame is inspected for full compliance and accepted prior to the frame being introduced to the on-line production process. However, the IPIA is only required to make sure that the manufacturer conducts receiving and acceptance inspections and complies with the applicable provisions outlined in the manufacturer's quality assurance manual.

In view of the above clarifications, HUD will require manufacturers and IPIAs to update and incorporate all required inspections for off-site fabricated components into its quality control program and quality assurance manual and to update plant certifications as appropriate within 90 days of the date of this memorandum.

Please forward a copy of this memorandum to your client manufacturers to ensure uniform application and enforcement of the provisions therein. If you have any questions regarding this issue, please contact a HUD liaison of this office at (202) 708-6423.