

KNOW YOUR RIGHTS BEFORE PURCHASING A MANUFACTURED HOME

Northwest Justice Project has noted an increase in complaints involving manufactured home purchases¹. Many times the buyers do not understand all of the terms, often relying on verbal statements that are not reduced to writing. *Inform yourself well before buying!*

What will it really cost you?

There are many hidden costs to buying a manufactured home. Before you decide to buy, and definitely before you make a down payment, make sure you understand the total cost of the deal into which you are about to enter. Look at the following costs, and add them all up:

- A. Price of home, options, lot or land, delivery, foundation, set-up, skirting, steps, and related permits.
- B. Connecting the home to all of the necessary utilities.
- C. Financing, closing, and other “transaction” costs.

Should you sign a written contract? **Yes!**

Your contract should include, at a minimum:

- ✓ The names of the parties (buyer and seller’s names);
- ✓ The date of the sale;
- ✓ A description of the home being sold;
- ✓ The base price of the home being sold;
- ✓ A description of each additional item (installation, skirting, air conditioning, delivery, etc.) included in the contract;
- ✓ A price for each of the above additional items included in the contract;
- ✓ The financing agreement (who, when, how much, at what cost);
- ✓ Set-up plans, including the date by which the home will be delivered;
- ✓ Any special conditions or contingencies placed on the sale (for example: the sale being contingent on the buyer being able to buy a piece of land within 10 miles of the buyer’s place of work);
- ✓ Signatures of both the buyer and the seller.

May you get financing from someone other than the dealer? **Yes!**

A. You do not need to finance the home through the dealer. The dealer will usually offer to arrange financing for you. Beware. It is unlikely that the dealer is offering you the best deal available. You will likely find a lower cost loan through a local bank or credit union.

B. Understand the financing terms before you agree to purchase the home. Do not rely on any oral agreements about the financing arrangement. There are federal and state laws which require that the terms of financing be disclosed to you in writing before you sign, including:

¹ The term “manufactured home” in this brochure is used interchangeably with “mobile home”.

- ✓ The interest rate;
- ✓ The total interest to be paid;
- ✓ The amount of your monthly payments;
- ✓ The number of years/months that you will be paying off the loan;
- ✓ The total amount you will have paid for the home after you make your last payment.

Make sure to look these disclosures over. You may be surprised by the amount. If you do not understand the documents, taken them to someone before you sign them. If these disclosures are not provided to you, you may have legal claims for damages: but you are better off not signing the financing papers to begin with.

What if you can't or don't want to go ahead with the deal? Is it too late to get your money back?

A. First, don't put any money down before you have all the information. A dealer may pressure you early on in your shopping to make a down payment. Don't make a down payment until you ask and have answered in writing the following questions:

1. What is the full and complete cost of the home and, if it is a package, the land?
2. How much money have you placed down on the home, and under what conditions may you get it back? Make sure that the dealer signs the receipt for your down payment. Also, make sure that the receipt clearly identifies the conditions for return of the deposit: for example, look to see what happens to your deposit if you cannot find financing at the rate you want, or if the dealer finds a mobile home park space for you but it is too far from your work. Remember, you may negotiate whatever terms fit your needs.
3. Make sure the dealer deposits the funds in a trust account. Under the law, the dealer should place all on-deposit monies into a separate trust account within 24 hours of receipt. If the dealer doesn't have a trust account, beware.

B. Don't sign the contract until you are ready. You are not bound to purchase the home until both you and the dealer have signed the contract. After you have signed a written offer, the dealer has three days (excluding weekends and holidays) to accept the contract as written. If the dealer comes back with any change to the terms of the contract you signed (for example: the dealer asks for a higher down payment), then you may walk away from the deal. If you will not want to buy the home unless X, Y or Z occurs, then make sure to write those conditions into the contract before you sign.

C. Under certain limited circumstances, you may be able to get out of the deal even after your home has been delivered. If you can prove that the home is not what you were promised, and if you promptly notify the dealer of your dissatisfaction, and it is justified, then you may be able to "rescind" the contract. This will probably require the help of an attorney. If you are low income, you may call **CLEAR** at **1-888-201-1014** to talk with a lawyer or paralegal.

Where may you put your manufactured home?

A. Buying or Renting Property. Before you buy the home and before you buy or rent the land, make sure that a manufactured home can and may be placed there. Ask and have answered the following questions:

1. Is the land zoned for a manufactured home?

2. Are there any restrictive covenants that prohibit placement of a manufactured home on the land?
3. Is water, sewer/septic, electricity, phone, cable and irrigation water available on this land?
4. Is there a sewer system, or can a septic system be installed? Is the site prepared?
5. Can a manufactured home be delivered to this piece of land?

What should you know about delivery and installation of the home?

- A. Delivery.** Make sure your written contract with the dealer states that the dealer will arrange for a moving company to transport your home to your home site and at what cost. When the home is delivered, check for damage to the home as soon as possible, and report any problems immediately and in writing.
- B. A Certified Installer is required for setting up a manufactured home.** Homeowners may install their own homes. However, this is strongly discouraged. Usually, the dealer will install your home or contract with a professional installation crew to do the work. Make sure your contract includes installation, including how much it will cost you.
- C. After your home is installed, the law requires that you and the dealer conduct a “walk-through.”** During the “walk through” you and the dealer go through the home together and test all systems for proper operation, and you should note any cosmetic or other visible defects. You should have your contract with you during the walk-through to make sure that you received everything you paid for. Make sure that any problems or flaws with the home are written down on the checklist before you sign it. **Do not rely on oral promises.** If there are serious problems with the home, you may be able to refuse to take possession of the home at this time, and get your money back. You may want to consult an attorney about this step, because the dealer or financing company may insist on enforcing the contract.

May you make alterations to your manufactured home?

Yes, but you will need a permit to do so. Contact the Department of Labor and Industries to get a permit application.

May you move your manufactured home?

Yes, but it will cost you. If you own an older home (pre-1976), you may need to make costly improvements to the home before the city or county will issue a permit allowing you to move it. Transportation permits will be needed to move the home on public roads. Depending on whether the home will be driven on city, county or state roads, or all three, permission must be given by the city, county or State Department of Transportation.

What if the home I buy needs repair, something in it breaks, or it is not otherwise right?

All requests for repairs under warranty must be made in writing to the dealer or the manufacturer. Each complaint should include a comprehensive, prioritized list of the problems you are having with your home, and a request that the problems be repaired. Your letter should also include the serial number of the home. The dealer is required to give you information on how to file these requests. Always keep a copy of your written requests.

What if the dealer or manufacturer fails to make repairs?

File a complaint with one or more of the following appropriate agencies and ask them to help you get the repairs performed:

AGENCIES TO CONTACT

WASHINGTON STATE COMMUNITY TRADE AND ECONOMIC DEVELOPMENT

Office of Manufactured Housing
P.O. Box 42525
Olympia, WA 98504-8350

OFFICE OF THE ATTORNEY GENERAL

1-800-551-4636

DEPARTMENT OF LICENSING

Regional Supervisor, Dealer Services
2727 Rudkin Rd.
Union Gap, WA. 98903-1795
(509) 575-2777

DEPARTMENT OF LABOR AND INDUSTRIES

P.O. Box 44450
Olympia, WA 98504-4450
360-902-5264
OR LOCAL OFFICE

NORTHWEST JUSTICE PROJECT

(Free legal services for eligible low- income people and the elderly)
1-888-201-1018 Yakima
1-888-201-1014 Statewide CLEAR Legal Aid Hotline

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