

# Your Rights: Buying a Manufactured Home

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## Introduction

Buying a manufactured home can be complicated<sup>1</sup>. You may not understand all the terms. You may want to rely on verbal statements that are not in writing. **STOP!** This publication should help you understand your rights and some important terms.

◆ Inform yourself well before buying!

## What will it really cost to buy a mobile home?

**There are *many* hidden costs.** Before you decide to buy, and definitely before making a down payment, make sure you understand the total cost. Look at and add up all these:

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

## Should I sign a written contract?

**Yes!**

**Your contract should include, at a minimum:**

- The buyer’s and seller’s names
- The sale date
- A description of the home

- The home’s base price
- A description of each extra item (installation, skirting, air conditioning, delivery, and so on) in the contract
- A price for each of the above extra items in the contract
- The financing agreement (who, when, how much, at what cost)
- Set-up plans, including the date by they will deliver the home
- Any special conditions or contingencies (**example:** the sale happens only if the buyer can buy a piece of land within ten miles of the buyer’s place of work)
- Signatures of both buyer and the seller

## May I get financing from someone other than the dealer?

**Yes!**

The dealer will usually offer to arrange financing for you. **Beware.** The dealer is probably not offering you the best deal. You will probably find a lower cost loan through a local bank or credit union.

**Understand the financing terms before you agree to buy the home.** Do not rely on any oral agreements. Federal and state laws require the dealer or other lender to disclose the terms of financing to you in writing before you sign, including:

- The interest rate
- The total interest you will pay

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<sup>1</sup> We use the term “manufactured home” in this publication interchangeably with “mobile home.”

- The amount of your monthly payments
- The number of years/months you will be paying off the loan
- The total amount you will have paid for the home after you make your last payment

◆ **Read these disclosures.** The amounts may surprise you.

If you do not understand the documents, take them to someone before you sign them. If you do not get these disclosures, you may have legal claims for damages. You are better off not signing the financing papers to begin with.

### **What is a loan for chattel or a chattel mortgage?**

It is when you take out a loan or refinance your movable personal property (the manufactured home is the “chattel”) from a creditor. The creditor secures the chattel loan with a mortgage over the manufactured home. You transfer legal ownership of your home to the creditor. The creditor gives you back the registered ownership when you finish paying back the loan/mortgage. If you default on a loan for chattel, the creditor can repossess (take from you) the home.

If your mobile home was built on-site and you need a mortgage or loan for the real property it sits on, you cannot get a chattel mortgage. Your home is not movable.

### **If I cannot or do not want to go ahead with the deal, can I get my money back?**

**A. Do not put any money down before you have all the information.** A dealer may pressure you early on to make a down payment. Do not do this until you ask and have answered *in writing* the following:

- What is the complete cost of the home and, if it is a package, the land?
- How much money have you put down on the home? Under what conditions may you get it back? Make sure the dealer signs the receipt for your down payment. Make sure the receipt clearly states the conditions for return of the deposit. 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 that is too far from your work. You may negotiate whatever terms fit your needs.
- Make sure the dealer deposits the funds in a trust account. The law says the dealer should place all on-deposit money into a separate trust account within 24 hours of receipt. If the dealer does not have a trust account, beware.

**B. Do not sign the contract until you are ready.** You are not bound to buy the home until both you and the dealer have signed the contract. After you have signed a written offer, the dealer has three days (not counting 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 (**example**: the dealer asks for a higher down payment), you may walk away from the deal. If you will only want to buy the home if X, Y, or Z happens, write those conditions into the contract **before** signing.

- C. In a very few cases, you may be able to get out of the deal even after they have delivered your home.** If you can prove the home is not what they promised you, and if you notify the dealer right away of your dissatisfaction, and it is justified, you may be able to “rescind” the contract. You will probably need a lawyer’s help. If you are low-income, call **CLEAR** at **1-888-201-1014** to talk with a lawyer or paralegal.

### Where may I put my mobile home?

**Before** you buy the home and buy or rent the land, make sure you can and may place a manufactured home there. Find out:

- Is the land zoned for a manufactured home?
- Are there any restrictive covenants prohibiting placement of a manufactured home on the land?
- Is water, sewer/septic, electricity, phone, cable and irrigation water available?
- Is there a sewer system, or can a septic system be installed? Is the site prepared?
- Can you have a mobile home delivered to this piece of land?

### What should I know about delivery and installation of the home?

- **Delivery.** Make sure your written contract with the dealer requires the dealer to arrange for the transportation of your home to your home site and at what cost. Check for any damage to the home as soon as possible after delivery. Report any problems immediately, in writing.
- **You need a Certified Installer to set up the home.** Homeowners may install their own homes. We strongly discourage this. 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 the cost to you.
- **After you install your home, the law requires you and the dealer to do a “walk-through.”** You and the dealer go through the home together and test all systems for proper operation. You should note any cosmetic or other visible defects. Have your contract with you during the walk-through. Make sure you got everything you paid for. Write down any problems or flaws with the home on the checklist before you sign it. **Do not rely on oral promises.** If there are serious problems, you may be able to refuse to take the home at this time, and get your money back. Talk to a lawyer. The dealer or financing company may insist on enforcing the contract.

### **May I alter my manufactured home?**

**Yes, but you need a permit.** Get a permit application from the Department of Labor and Industries.

### **May I move my manufactured home?**

**Yes, but it will cost you.** If you own an older home (pre-1976), you may have to make costly improvements to the home before the city or county will give you a permit to move it. You will also need transportation permits to move the home on public roads. Depending on whether you will have it driven on city, county or state roads, or all three, you will need permission from 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?**

You must make all requests for repairs under warranty **in writing** to the dealer or the manufacturer. Your complaint should include

- a comprehensive, prioritized list of the problems you are having with your home
- a request that they repair the problems
- the home's serial number

The dealer must give you information on how to file these requests. Always keep a copy of your written requests.

### **What if the dealer/ manufacturer does not make repairs?**

File a complaint with one or more of the following appropriate agencies. Ask them to help you get the repairs done:

#### **OFFICE OF THE ATTORNEY GENERAL**

Manufactured Housing Dispute Resolution Program

800 5<sup>th</sup> Ave., Ste. 2000

Seattle, WA 98104

1-866-924-6458

MHOR@atg.wa.gov

FAX: 206-587-5636

#### **DEPARTMENT OF LICENSING**

Regional Supervisor, Dealer Services

2725 Rudkin Rd.

Union Gap, WA. 98903-1795

(509) 575-2776

#### **DEPARTMENT OF LABOR AND INDUSTRIES**

P.O. Box 44000

Olympia, WA 98504-4000

360-902-5226

OR LOCAL OFFICE

**ASSOCIATION OF MANUFACTURED HOME OWNERS**

PO Box 30273  
Spokane WA 99223  
(509) 343-9624 (English and Spanish)  
PO Box 3606  
Federal Way WA 98063  
(425) 772-5174 (English only)

**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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as a substitute for specific legal advice.

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