MANUFACTURED HOMES INSTALLED ON A FOUNDATION SYSTEM AS AN IMPROVEMENT TO REAL PROPERTY

(HEALTH AND SAFETY CODE SECTION 18551(a))

FLOWCHART

Manufacturer’s Responsibilities

- Build Home
- Assign HUD Labels
- Manufacturer Certificate of Origin (MCO)

Transporter’s Responsibilities

- Deliver home to Dealer’s lot
  Or
  Other specified location agreed to in the escrow instructions

Dealer’s Responsibilities

(Home not subject to Registration with HCD no titling documents issued)

- Sell home or Take order for home
- Obtain building permit to install home from enforcement agency.
  OR
  Owner responsibility
- Install home
  OR
  Owner responsibility
- Have home inspected by enforcement agency
  OR
  Owner responsibility
- Complete Dealer’s Report of Sale (DRS) and submit to HCD with all required documents and fees within 10 days of date of sale
- Provide ongoing warranty services as required

Local Enforcement Agency Responsibilities

- Collect documents from the owner prior to issuing permit.
- Issue building permit to install home to dealer/installer/owner
- Conduct the inspection and reinspection(s), if necessary
- Issue Certificate of Occupancy and record form HCD 433A with the county recorder where the home is located
- Forward copy of the recorded HCD 433A, the $11 per section fee, and the titling document to HCD Registration & Titling

DISTRIBUTION OF MCO

- Pink Copy (Original) = Inventory Creditor. If none, to Dealer.
- White copy = HCD
- Yellow copy = Transporter
- Goldenrod = Manufacturer

Owner installed units need to submit DRS prior to the home’s installation.

Date of Sale is the date escrow closes or the home is delivered.

Written Evidence:
- The registered owner owns, is purchasing, or has a transferable lease for the real property where the home is to be installed;
- The registered owner owns the home free of any liens or encumbrances or that any lien holders agree to the attachment of the home on the real property. (As evidenced by the submittal of the MCO to the enforcement agency for new homes or for used home that any title or registration card for the home be surrendered to the enforcement agency.
- Plans and specifications required by HCD regulations or an approved alternate for the homes foundation system.
- The manufacturer’s installation instructions, or plans and specifications signed by a California licensed architect or engineer covering the installation of the home when the manufacturer’s installation instructions cannot be provided
- Applicable permit fees.
- An $11 per section fee payable to HCD.
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Local Enforcement Agency’s Responsibilities

County Recorder’s Responsibilities

Dealer’s Responsibilities

HCD’s Responsibilities

Issue Certificate of Occupancy and record form HCD 433A with the county recorder where the manufactured home is located on within 5 days

Index the HCD 433A to the named homeowner

Forward copy of the recorded HCD 433A, the $11 per section fee, and the titling document to HCD

Complete Dealer’s Report of Sale and submit to HCD with all required documents and fees within 10 days of the date of sale

Submit Open escrow

Review and process application submitted by dealer to report the sale of the manufactured home onto the 18551(a) foundation system.

HCD’s permanent title record is cancelled and the record status is changed to “Permanent Foundation 18551.” Fees are no longer collected by the department.