

ISSUE BRIEF: HUD CODE

One of the many features of manufactured housing is the quality of the homes and the value to consumers due to the technological advancements and cost savings associated with the factory-built process. All manufactured homes are built to standards and codes that require the highest standards in every aspect of construction.

TALKING POINTS

- Unlike site-built homes, manufactured homes are built almost entirely in a controlled manufacturing environment. Homes are transported to the home-sites where they are installed in compliance with federal and state laws.
- Manufactured homes adhere to the HUD Code (the Federal Manufactured Housing Construction and Safety Standards administered by the Department of Housing and Urban Development), the only federal residential building code. The HUD Code regulates home design and construction, installation, durability, resistance to natural hazards, fire safety, electrical systems, energy efficiency, and other aspects of the home.
- Manufactured homes are inspected by a HUD-approved third party during the construction process and the industry adheres to HUD's robust quality assurance program, which offers greater controls than other forms of housing in the home building industry. Federal, state or local authorities inspect each home installation.
- Every manufactured home is built in a factory, under controlled conditions, and has a special label affixed on the exterior of the home indicating that the home has been designed, constructed, tested and inspected to comply with the stringent federal standards. A manufactured home can only be shipped from the factory when it complies with the HUD Code and is inspected for compliance by an independent third-party inspector certified by HUD.
- The quality of manufactured homes is much higher than it was 20 or 30 years ago. The quality, reliability and durability of manufactured homes has improved substantially since the enactment of the Manufactured Housing Improvement Act of 2000, which considerably strengthened HUD's oversight of construction and safety standards, set a national standard for installation, and required a Dispute Resolution program in every state to address disputes between consumers and manufacturers and installers.
- Manufactured homes cost 10 to 35 percent less than comparable site-built homes (based on U.S. Census data).
- The affordability of manufactured homes has long made them the preferred housing choice for many families, including first-time homebuyers, retirees and families in rural areas.

BACKGROUND

In 1974 Congress passed the Housing and Community Development Act, which authorized the federal Manufactured Housing Program, recognizing that manufactured homes (previously called mobile homes) are products subject to interstate commerce and, therefore, open to be regulated by the federal government.

The interstate shipment of homes from the plant to the retailer to the home site meant that the manufacturer--prior to the advent of the HUD Code--ordinarily did not know in advance which code would apply. States were not able to effectively and uniformly regulate manufactured home construction and safety issues.

In 2000, Congress updated the basic authorizing legislation improving HUD's oversight of construction and safety standards and regulations, established a national standard for installation, and required a dispute resolution program in every state to address disputes between consumers and manufacturers and installers.

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