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**SUBSTITUTE HOUSE BILL 2430**

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**State of Washington**

**58th Legislature**

**2004 Regular Session**

**By** House Committee on Trade & Economic Development (originally sponsored by Representatives O'Brien, Mielke, Kagi, Benson, Lantz, Sump, Chase, Pearson, Cody, Kirby, McCoy, Dickerson, Cairnes, Clibborn, Kenney, Holmquist and Rockefeller)

READ FIRST TIME 02/04/04.

1 AN ACT Relating to purchasing manufactured homes; and creating a  
2 new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The department of community, trade, and  
5 economic development shall conduct a study within existing funds and  
6 make recommendations regarding possible programmatic assistance for  
7 Washington's low-income residents trying to purchase manufactured homes  
8 and manufactured home sites.

9 (2) The program studied should have the following characteristics:

10 (a) Require borrowers to: (i) Make a down payment of five percent  
11 of the value of the manufactured home, manufactured home lot, or  
12 manufactured home and lot; (ii) demonstrate that they have current  
13 adequate income to make the payments on the loan and meet their other  
14 expenses, including a salary that is at least two and one-half times  
15 the value of the expected monthly payment on the manufactured home  
16 purchase loan; (iii) have an income level that is at or below fifty  
17 percent of the median family income for the county or standard  
18 metropolitan statistical area where the home will be sited; (iv) not  
19 have declared bankruptcy under the federal bankruptcy code at any time

1 within the past ten years; (v) provide documentation or other proof, as  
2 required by the department, that the person has been continuously  
3 employed for the three years prior to the loan guarantee request; and  
4 (vi) have a suitable site on which to place the manufactured home. The  
5 home may be placed on a rental site in a manufactured home park, or on  
6 an individual home site owned or leased by the borrowers. The site  
7 must meet the established local standards for site suitability and have  
8 adequate water supply and sewage disposal facilities;

9 (b) Insure lenders providing financing to eligible borrowers for a  
10 manufactured home loan against default. The terms of loan guarantee  
11 would be established by a contract with the department of community,  
12 trade, and economic development prior to the loan being made; and

13 (c) The manufactured home loan would be a fixed interest rate loan  
14 based upon the best prevailing market rate in the area at the time the  
15 loan is being made.

16 (3) The study must include, but is not limited to:

17 (a) The current market barriers for manufactured home loans to  
18 persons with income levels below fifty percent of the median family  
19 income level;

20 (b) The number of loans per year that could be guaranteed and the  
21 average amount of such a loan;

22 (c) The number of persons that would be eligible for the loan  
23 program; and

24 (d) The funding requirements to establish and maintain a loan  
25 assistance program.

26 (4) The study recommendations must include, but are not limited to:

27 (a) Sources of funding;

28 (b) Amount of reserve funds required; and

29 (c) Program eligibility requirements.

30 (5) The study shall be delivered to the appropriate committees of  
31 the legislature by December 1, 2004.

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