AN ACT Relating to directing the department of commerce to study the sale and financing of manufactured homes and develop recommendations to improve consumer protections for manufactured homeowners and buyers; creating new sections; and providing an expiration date.

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

NEW SECTION. Sec. 1. (1) The legislature finds that:
(a) Manufactured homes are a critical source of housing for the people of the state of Washington, and provide homeownership opportunities for persons that might otherwise be unable to afford a home, including seniors and low-income households;
(b) Manufactured homes are typically sold as personal property under retail installment contracts and similar financing agreements, in contrast to the sale of real property such as site-built homes, which are typically sold under financing contracts subject to the deed of trust act;
(c) Reporting over the past year has identified concerning sales, lending, and repossession practices in the manufactured housing industry within Washington state and nationwide; and
(d) Washington state provides greater consumer protections for purchasers of homes under the deed of trust act and other laws than
for most purchasers of manufactured homes, including extended
timelines to cure defaults, foreclosure mediation, and a prohibition
against deficiency judgments for obligations secured by a deed of
trust.

(2) Therefore, the legislature intends by this act to direct the
department of commerce to study the sale and financing of
manufactured homes and develop recommendations to improve consumer
protections for manufactured homeowners and buyers.

NEW SECTION.  Sec. 2. (1) Within existing resources, the
department of commerce shall study the sale and financing of
manufactured homes and develop a comparison of consumer protections
provided to purchasers of manufactured homes under retail installment
and similar contracts with those provided to purchasers of homes
under the deed of trust act, chapter 61.24 RCW, and other applicable
state and federal laws and rules.

(2) The department shall consult with a diverse group of
stakeholders in conducting the study including, but not limited to:
Representatives of manufactured home sellers and financing companies,
manufactured home park owners, consumer protection advocates, and
current and prospective manufactured homeowners.

(3) Topics to be studied must include, but not be limited to:
Manufactured home sale and financing practices, the applicability of
usury laws to manufactured home financing, disclosure requirements
and practices, repossession practices, and the status of manufactured
homes under state laws pertaining to real property.

(4) The department shall report its findings, including
recommendations intended to improve consumer protections for
manufactured homeowners and buyers, to the governor and appropriate
committees of the legislature by January 1, 2017.

(5) This section expires June 30, 2017.

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