



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### 24 CFR Parts 201, 3280, 3285, and 3286

[Docket No. FR-6537-P-01]

RIN 2502-AJ80

#### Revising the Definition of “Manufactured Home” to Lower Housing Costs

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, U.S. Department of Housing and Urban Development (HUD).

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This proposed rule would amend the definition of “manufactured home” in HUD’s Manufactured Home Construction and Safety Standards (MHCSS), Model Manufactured Home Installation Standards (MMHIS), and Manufactured Home Installation Program (MHIP) to provide that a transportable section of a manufactured home serving as part of an upper floor of a manufactured home would not need to be transported or built on a permanent chassis.

**DATES:** Comment due [INSERT DATE 60 DAYS FROM DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**ADDRESSES:** Interested persons are invited to submit comments regarding this proposed rule. There are two methods for submitting public comments. All submissions must refer to the above docket number and title. To receive consideration as public comments, comments must be submitted through one of the two methods specified below.

**1. Electronic Submission of Comments.** Interested persons may submit comments electronically through the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov). There, interested parties may also find a plain language summary of the proposed rule.

**2. Submission of Comments by Mail.** Comments may be submitted by mail to the Regulations Division, Office of General Counsel, U.S. Department of Housing and Urban-Development, 451 7th Street, SW, Room 10276, Washington, DC 20410-0500.

**FOR FURTHER INFORMATION CONTACT:** Mary Jo Houton, Administrator, Office of Manufactured Housing Programs, Department of Housing and Urban Development, 451 7th Street, SW, Room 9252, Washington, DC 20410; telephone number (202)-402-2186 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

## **SUPPLEMENTARY INFORMATION:**

### **I. Background**

#### *A. Statutory Framework*

The National Manufactured Housing Construction and Safety Standards Act of 1974 (Pub. L. 93-383, 88 Stat. 633, codified at 42 U.S.C. 5401 *et seq.*) (“the Act”) authorizes HUD to establish the Manufactured Home and Construction Safety Standards (MHCSS). The Act was later amended by the Manufactured Housing Improvement Act of 2000 (Pub. L. 106-569, 114 Stat. 2944).

Section 602 of the Act identifies specific goals related to manufactured housing, which include protecting the quality, durability, safety and affordability of manufactured homes; facilitating the affordability manufactured homes; and encouraging innovative and cost-effective construction techniques for manufactured homes. 42 U.S.C. 5401(b).

Section 604(a)(3) of the Act establishes the Manufactured Housing Consensus Committee (MHCC), which is responsible for considering potential changes to the MHCSS based on technical expertise and providing recommendations to the Secretary. 42 U.S.C 5403. Section 604(a)(5)(A) of the Act requires the Secretary to accept, modify, or reject the MHCC’s proposed recommendations. Section 605 of the Act also authorizes HUD to establish the Model Manufactured Home Installation Standards (MMHIS) and the Manufactured Home Installation Program (MHIP). 42 U.S.C. 5404.

The Act defines relevant terms for regulated parties. Most relevant for this rule, section 603(6) of the Act defines manufactured home as a structure transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis. 42 U.S.C. 5402(6). The Act is silent on whether each transportable section must be constructed on a permanent chassis.

Under section 616 of the Act, manufacturers are required to certify that a manufactured home complies with its provisions, including the permanent chassis requirement. 42 U.S.C. 5415. Section 610 of the Act further prohibits a person from using any means or instrumentality of interstate commerce to manufacture, sell, or deliver a manufactured home that does not comply with the MHCSS or other related requirements. 42 U.S.C 5409(a)(1).

### *B. Regulatory Framework*

HUD regulations governing manufactured homes are divided into several parts. The MHCSS is codified in 24 CFR part 3280. The MMHIS is codified at 24 CFR part 3285 and the MHIP is codified at 24 CFR part 3286. HUD regulations for carrying out various procedural and enforcement activities related to these requirements are codified in 24 CFR part 3282. Consistent with the Act's goal of fostering innovation in the manufactured housing industry (42 U.S.C. 5401(b)(4)), these procedural and enforcement regulations allow manufacturers to request approval from HUD in the form of an Alternative Construction (AC) letter to build manufactured homes that would be prohibited by the MHCSS provided certain requirements are satisfied. The process for requesting an AC letter is set forth in 24 CFR 3282.14.

The MHCSS, MMHIS, and MHIP regulations define manufactured home to mean a structure, transportable in one or more sections, which in the traveling mode is 8 body feet or more in width or 40 body feet or more in length or which when erected on-site is 320 or more square feet, and which is built on a permanent chassis. 24 CFR 3280.2 (MHCSS), 3285.3

(MMHIS), 3286.3 (MHIP). HUD has generally interpreted these regulatory definitions as requiring each transportable section to be built on a permanent chassis.

For the purposes of a manufactured home, the term “chassis” means the entire transportation system comprising the drawbar and coupling mechanism, frame, running gear assembly, and lights. 24 CFR 3280.902(a). A chassis is defined in the regulations at 24 CFR 3280.902(a) as the entire transportation system comprising the following subsystems: drawbar and coupling mechanism, frame, running gear assembly, and lights. Generally, HUD considers the chassis as permanent if, upon installation, the frame remains in place as the substructure of the manufactured home, which, in the vast majority of cases, requires only the maintenance of two steel I-beams and other components welded to the beams. In short, a permanent chassis refers to a non-removable transportation system of a manufactured home.

Historically, HUD’s AC program allowed for the construction of multistory manufactured homes, provided that manufacturers’ designs were submitted to and reviewed by HUD and were determined to provide performance that is equivalent to or superior to that required by the Standards. In HUD’s publication of a January 2021 final rule based on the third set of MHCC recommendations, HUD codified revisions that established design and construction standards for multi-story manufactured homes that allowed manufacturers to continue building multi-story manufactured homes without the costly and burdensome AC process. 86 FR 2496.

On September 16, 2024, HUD published a final rule based on the fourth and fifth sets of MHCC recommendations. 89 FR 75704. In addition to revising a large number of updated standards through incorporation by reference and codifying technical standards supporting more modern design approaches, installation of alternative materials, and quality improvements, this final rule revised the definition of dwelling in 24 CFR 3280.2 to allow for the construction of up to four unit multi-dwelling unit manufactured homes, supporting industry innovation and efforts to address the nation’s critical need for increased affordable housing supply. The effective date of this rule was delayed from March 17, 2025, until September 15, 2025, to allow manufacturers

and stakeholders additional time to modify manufactured home floorplan designs and submit them through Design Approval Primary Inspection Agencies (DAPIA) review, deviation, and approval to ensure compliance with new or amended requirements. 90 FR 10593.

### *C. Executive Action*

On January 20, 2025, President Trump issued a Presidential Memorandum entitled “Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis” that directed each executive agency, including HUD, to deliver emergency price relief measures by eliminating unnecessary administrative barriers and expenses. 90 FR 8245. The memorandum specifically called for actions to lower the cost of housing and expand the housing supply in the United States. In response to this Presidential Memorandum, the agency reviewed portions of the manufactured housing program and identified savings that could be gained by eliminating the requirement for a permanent chassis on the upper floors of multistory manufactured homes.

### *D. Technical Background*

Historically, the manufactured housing industry has presented designs of multi-section manufactured homes, in part due to transportation-based size restrictions, as sectioned structures that are transportable on a permanent steel chassis. This industry practice pre-dates the Federal government’s authority to regulate manufactured homes under the Act. These manufactured home designs focused on single-story construction comprised mainly of structures whose size varied by the number of horizontally connected transportable sections that are joined together to constitute the whole structure of the home. Homes based on these designs have predominately been placed in areas of the United States with lower population densities and higher land availability. As a result, most manufactured homes are single-story, single-family dwellings sited in rural and suburban communities and on individual land parcels According to the 2023 American Housing Survey, most existing manufactured homes are single section homes (57 percent). The rest are composed of multiple sections joined on site: 41 percent are two section

homes, and 2 percent are comprised of three or more sections or larger. The median area of existing manufactured homes is 1,154 square feet compared to 1,800 square feet for single family detached homes. According to the 2024 Survey of Manufactured Housing, most new manufactured homes produced in recent years, are multi-section (about 55 percent).

HUD has issued thirty-four Alternative Construction (AC) Letters<sup>1</sup> authorizing the construction of several thousand multistory manufactured homes. Several hundred multistory manufactured homes have been built under these limited approvals.<sup>2</sup> However, the factory design, construction, and site installation of multistory manufactured homes have been complicated by the requirement to use a permanent chassis for every transportable section, including the sections that are used as the upper floors of the homes. Specifically, the requirement to use a permanent chassis for each transportable section of a multistory manufactured home increases the production, transportation, and installation costs of a multistory manufactured home by anywhere from \$4,800 to \$6,700 per unit based off of estimates providing privately to HUD from a range of small and large manufacturers.

The permanent chassis requirement on the upper floors of a multistory manufactured home provides no practical benefit to homeowners or manufacturers, increases production and installation costs, and stifles innovation that can create more widely available, affordable homes for the American people. Given the lack of a practical benefit, continuing to mandate a permanent chassis on non-ground story floors runs counter to Congress' explicit statutory mandate to promote the affordability of manufactured homes (42 USC 5401(b)(1)). From a design standpoint, a permanent chassis on upper floors serves no essential structural purpose

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<sup>1</sup> An AC approval under 3282.14 allows a manufacturer to produce homes using an alternative design that meets or exceeds HUD Code standards. AC approvals are design authorizations, not a production guarantee, which means that while an AC approval could authorize thousands of potential units, actual production depends on market demand, costs, and manufacturer capacity. Manufacturers are required to provide an estimate of the maximum number of manufactured home units to be affected by an AC letter request (24 CFR 3282.14b5). These estimate are prospective and are not based on orders or known data. Generally, manufacturers over estimate to avoid the need for amendments that would revise production limits imposed by HUD in issued AC letters.

<sup>2</sup> AC letters are granted on a case-by-case basis and are not available publicly. Pursuant to 24 CFR 3282.54(b), manufacturers are able to submit alternative construction requests confidentially as they contain information that is of a confidential and/or commercial nature.

after a transportable section is transported to the site.<sup>3</sup> Instead of providing any benefit, a permanent chassis on upper floors creates design and aesthetic challenges as it limits where staircases can be placed and creates wasted space between floors. The permanent chassis requirement is also a hindrance to cost-effective construction techniques and industry innovation. The standard permanent chassis currently used for upper floors requires the use of significant amounts of steel, which increases material costs for both producers and consumers. Moreover, the permanent chassis requirement means that a multistory manufactured home must meet additional structural requirements because the lowest floor and the foundation of the home must be designed to transmit and bear the full dead weight of a permanent upper floor chassis, which generally exceeds 2,500 pounds. This increases the amount of wood, concrete, and piers used in a multistory manufactured home, which further increases material costs. The permanent chassis requirement also increases labor costs due to the need to construct and install the chassis.

**The permanent chassis requirement thus adds thousands of dollars to the cost of a multistory manufactured home for producers and consumers. Several manufacturers report that the chassis requirement can add anywhere from approximately \$3,300 to \$4,600 in production costs and that the requirement adds \$4,776 to \$6,672 in costs for consumers due to the need for chassis materials, transportation, installation, and labor. Accordingly, not only is the permanent chassis requirement for every transportable section of a multistory manufactured home not required by statute, but it creates challenges to carrying out the Act's purposes of protecting the affordability of manufactured housing, facilitating the availability of affordable manufactured homes, and encouraging innovative and cost-effective construction techniques. Multistory manufactured homes could be built more cost effectively and in a more innovative fashion if the permanent chassis requirement was not applicable for upper floors.**

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<sup>3</sup> In single story construction, the weight of the steel chassis prevents benefits resistance to strong winds from overturning of the manufactured home. However, in the case where the steel is suspended from the floor of the second story of a home, the center of gravity shifts and must be considered in evaluating structural design.

## II. Legal Authority

Section 602 of the Act defines a “manufactured home” as a “structure transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis.” 42 U.S.C. 5402(6). The statute does not specify whether each individual transportable section must independently be constructed on a permanent chassis, nor does it identify the stage of construction at which that requirement must be satisfied. By defining “manufactured home” in general terms and authorizing the Secretary to promulgate standards and regulations necessary to carry out the purposes of the Act, Congress granted the Secretary authority to address these questions through rulemaking.

HUD has previously interpreted this definition as requiring that each transportable section be built on a permanent chassis, based in part on historical manufacturing and transportation practices. Upon further consideration of the statutory text, structure, and context, the Department concludes that the permanent chassis requirement applies to the manufactured home as a whole – that is, to the completed “structure” – rather than to individual transportable sections or components of that structure. The statutory definition frames the chassis requirement in terms of the singular “structure” that “is built on a permanent chassis,” indicating that the requirement attaches to the manufactured home as the regulated structure.

The Act does not impose a separate chassis requirement for each transportable section or otherwise provide that individual sections must independently satisfy the definition. In the absence of such language, HUD interprets the requirement to apply at the level of the completed manufactured home. This interpretation is the best reading of the statutory text and in keeping with Congress’s stated purposes in enacting the Act, including ensuring the availability of affordable manufactured housing. Interpreting the statute to require a permanent chassis for each transportable section would impose additional design and construction constraints not expressly required by the text and could increase costs in a manner not compelled by the statute. HUD’s

interpretation therefore gives effect to the language Congress enacted while advancing the Act’s objective of promoting safe, durable, and affordable manufactured housing.

In exercising its authority under the Act, HUD proposes an interpretation of “manufactured home” that adheres to the statutory text while accommodating current construction and transportation methods. The Department recognizes that prior interpretations may have informed certain industry practices and seeks comment on this proposed interpretation, including any reliance interests that may warrant consideration in developing a final rule and whether a transition period would be appropriate. HUD also seeks comment on the extent to which the statutory requirement that the “structure” be built on a permanent chassis permits satisfaction of that requirement where a permanent chassis is incorporated into one transportable section and, upon assembly, supports the completed manufactured home.

### **III. This Proposed Rule**

#### *MHCC Proposed Revised Standards*

On June 6, 2025, HUD published a notice in the *Federal Register* advising the public of the schedule and proposed agenda for a meeting of the Manufactured Housing Consensus Committee (MHCC) to discuss this proposal. 90 FR 24284. The MHCC met on June 24, 2025 pursuant to the *Federal Register* notice to consider HUD’s proposed modifications to the chassis requirements for multistory manufactured homes. The MHCC was generally supportive of the proposed language provided by HUD and suggested several technical edits to further harmonize the proposed regulatory text with the statutory definition of “manufactured home.” The MHCC recommended additional changes to ensure that new designs incorporating the proposed changes would be readily integrated into existing manufacturing and transportation processes. Most notably, the MHCC clarified that the permanent chassis would be required on the lowest floor of the home.<sup>4</sup> Final recommendations to HUD were unanimously approved by the MHCC. HUD

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<sup>4</sup> The MHCC supported deleting the permanent chassis requirement for upper floors if no chassis is present. They added language to the structural design section requiring that each story be securely fastened above or below to

reviewed the MHCC's recommendations and incorporated them in this proposed rule. The MHCC received several comment letters from modular building manufacturers and a modular building association in advance of the meeting. The letters generally opposed the draft changes citing concerns that the distinction between their products and manufactured homes could become less clear. While modular housing is built in a factory, these housing products are designed and constructed in accordance with state and local standards and are not subject to the Federal Manufactured Home Construction and Safety Standards. None of the modular industry entities that submitted comments were present at the meeting.

### *Overview of Proposed Changes*

HUD proposes changing the definition of a manufactured home to provide that the permanent chassis requirement for a manufactured home could be met by building only the lowest level transportable sections of a manufactured home on a permanent chassis. Under this proposed rule, transportable sections of a manufactured home used for the upper floor or floors would not need to be transported or built on a permanent chassis.

The proposed rule would make changes to the MHCSS applicable to structural design requirements and transportation requirements. HUD proposes revising the definition of a manufactured home in regulations implementing the provisions of section 2 of Title I of the National Housing Act, in the MMIHS, and in the MHIP to ensure that the definition of a manufactured home is consistent across its regulations.

### *24 CFR 201.2*

HUD proposes revising the definition of a manufactured home in § 201.2 to clarify that the definition in this section retains the same meaning as when used in 24 CFR 3280.2. This

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maintain load continuity, except that upper floors do not need chassis connections "when a chassis is not present." The MHCC recommended changing "ground floor" to "lowest floor" to avoid ambiguity, particularly with homes with basements or elevated foundations. They proposed that a metal plate with the serial number be affixed to the "foremost floor joist" since the serial number is typically stamped on the chassis and added a provision to Subpart J for transport design that allows units without chassis to be transported without a chassis. The MHCC meeting's minutes may be accessed at <https://www.hud.gov/sites/dfiles/Housing/documents/MHCC-Minutes-06-24-2025.pdf>.

revision would ensure that manufactured homes where the upper floors are not built on a permanent chassis would remain eligible for Title I loans under 24 CFR part 201.

*24 CFR 3280.2*

HUD proposes changing the definition of a manufactured home to provide that a transportable section used for an upper floor of a manufactured home would not need to be transported or built on a permanent chassis.

*24 CFR 3280.6*

HUD proposes changing the serial number requirement to provide that a metal plate stamped with the serial number must be securely affixed, using screws, to the inside face of the foremost floor joist when a section of a manufactured home designed to be an upper floor and where the chassis is removeable.

*24 CFR 3280.113*

HUD proposes to take the opportunity afforded by this rulemaking to correct internal citations in § 3280.113. In HUD's prior rulemaking (86 FR 2517) based on the third set of MHCC recommendations, paragraph (b) was added to § 3280.113 that redesignated subsequent paragraphs within the section without updating internal citations within those paragraphs. This proposed rule includes technical corrections to the internal citations in this section consistent with the logical structure of the section. This would not be a substantive change and does not require public notice or comment.

*24 CFR 3280.305*

This proposed rule would revise the structural design requirements in § 3280.305(a) to separate general requirements for an integrated manufactured home structure from requirements that are specifically for multistory manufactured homes. For multistory manufactured homes, HUD proposes revisions that would make clear that upper floors do not need to be fastened to a chassis and that a multistory structure is limited to a single manufactured home consisting of one to four dwelling units.

In addition, HUD proposes revising § 3280.305(e), which governs the fastening of structural systems, to create a distinction between general requirements for manufactured homes and requirements that are specifically for multistory manufactured homes. The revised paragraph (e) would also clarify that upper floors in multistory manufactured homes do not need to be fastened to a permanent chassis.

*24 CFR 3280.901, 3280.902, 3280.904*

HUD proposes revising the transportation requirements in § 3280.901 to add a sentence providing that nothing in the transportation subpart would require a transportable section designed to be used as an upper floor of a multistory manufactured home to be built or transported on a permanent chassis.

HUD proposes technical updates to § 3280.902 and § 3280.904. The definition of a transportation system in § 3280.902(f) would be revised so that it means a chassis as defined in § 3280.902(a). In § 3280.904(b)(9)(i), the definition of braking axles would be revised to provide that transportable sections used for an upper floor of multistory manufactured home would not need to have two axles equipped with brake assemblies.

*24 CFR 3285.5*

HUD proposes revising the definition of a manufactured home in § 3285.5 to ensure that manufactured home in this section maintains the same definition as located in § 3280.2.

*24 CFR 3286.3*

HUD proposes revising the definition of a manufactured home in § 3286.3 to state that manufactured home in this section maintains the same definition as located in § 3280.2.

#### **IV. Questions for Public Comments**

HUD welcomes comments on all aspects of this proposed rule. In addition, HUD specifically requests comments on the following topics:

*Question for Comment #1: Further Reducing the Chassis Requirement to a Single Section of a Multi-Section Manufactured home*— Under the proposed rule, HUD would continue to

require a permanent chassis for each transportable section that is designed to serve as part of the lowest floor of a manufactured home. HUD is also seeking comment on an alternative approach that HUD is considering under which a manufactured home would be required to have a permanent chassis under only one transportable section of the lowest floor. This alternative would apply to both multi-section, single-story manufactured homes and multi-story manufactured homes.

In the Regulatory Impact Analysis for this proposed rule, HUD assumes that 20 to 25 multi-story manufactured homes could annually benefit from the proposed change. HUD also notes that a much larger share of newly produced manufactured homes are multi-section, single story homes; according to the 2024 Survey of Manufactured Housing, about 55 percent of new manufactured homes produced in recent years (roughly 60,000 manufactured homes annually) are multi-section, single-story designs. Would multi-section, single-story manufactured homes realize production or installation cost savings if only one section of the lowest floor were required to be built on a permanent chassis? If so, what types of savings would be expected? What construction, safety, and installation standards would be implicated and/or potentially require revision to support this alternative? Would this alternative create any additional costs, risks, benefits, or other implementation considerations which HUD should take into account? Are there engineering, design, construction, transportation, and/or installation challenges that manufacturers, transporters, and installers would need to consider and adjust in order to leverage this alternative?

*Question for Comment #2: Installation Standards*—Are there any additional installation standards or set-up requirements that should be considered for multistory manufactured homes that are not already addressed in the Model Manufactured Home Installation Standards located at 24 CFR part 3285)?

*Question for Comment #3: Lifting Instructions*—Should manufactured home manufacturers be required to identify lift points and provide lifting instructions for the placement

and installation of upper floors of multi-section manufactured homes? If so, where in title 24 of the Code of Federal Regulations would be the most appropriate place to codify the requirements?

*Question for Comment #4: Transportation Requirements*—The proposed rule would amend the transportation requirements for manufactured homes that are codified in 24 CFR part 3280 (subpart J). Would the transportation requirements, as amended by the proposed rule, be sufficient to ensure that manufactured homes could be transported in a manner that would not take a home out of compliance with the MHCSS?

*Question for Comment #5: Reliance Interests*— Are there reliance interests that would be implicated by this rule? If so, how significant are these interests and would a transition period for implementation be appropriate to mitigate the effect of this proposed rule on these interests?

## **V. Findings and Certifications**

### **Regulatory Review – Executive Order 12866**

Under Executive Order 12866 (Regulatory Planning and Review), a determination must be made whether a regulatory action is significant and, therefore, subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the executive order. Executive Order 14219 (Ensuring Lawful Governance and Implementing the President’s “Department of Government Efficiency” Deregulatory Initiative) reinforces that directive and instructs agencies “to follow the processes set out in Executive Order 12866 for submitting regulations for review by OIRA.” Executive Order 13563 (Improving Regulations and Regulatory Review) directs executive agencies to analyze regulations that are “outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned.” Executive Order 13563 also directs that, where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, agencies are to identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public.

The proposed rule has been determined to be a “significant regulatory action,” as defined in section 3(f) of Executive Order 12866, but not economically significant under section 3(f)(1) of the Order. The docket file is available for public inspection online at [www.regulations.gov](http://www.regulations.gov).

### **Regulatory Costs – Executive Order 14192**

Executive Order 14192, entitled “Unleashing Prosperity Through Deregulation,” was issued on January 31, 2025. Section 3(a) of Executive Order 14192 provides that “whenever an executive department or agency (agency) publicly proposes for notice and comment or otherwise promulgates a new regulation, it shall identify at least ten existing regulations to be repealed.” The Office of Management and Budget provided subsequent guidance through “Guidance Implementing Section 3 of Executive Order 14192, Titled ‘Unleashing Prosperity through Deregulation,’” which explained that a regulatory action for Executive Order 14192 purposes is either a significant regulatory action that is finalized and imposes costs greater than zero or a significant guidance document that is finalized and imposes costs greater than zero.

Under the proposed rule, only the lowest level transportable sections of a manufactured home would be required to be built upon a permanent chassis. The transportable sections of a manufactured home used for the upper floor or floors would not need to be transported or built on a permanent chassis. This change would decrease the costs of building and transporting manufactured homes by approximately \$6,000 per multistory manufactured housing unit. These cost savings represents the minimum level of benefits from the reduction in production, transportation, and installation costs per unit. This proposed rule is therefore deregulatory under Executive Order 14192.

### **Regulatory Flexibility Act**

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601) requires an agency to conduct a regulatory flexibility analysis of a rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. It is HUD's position that this proposed rule would not have a

significant economic impact on a substantial number of small entities. This proposed rule would regulate establishments primarily engaged in making manufactured homes. The Small Business Administration's size standards define an establishment primarily engaged in making manufactured homes as small if it does not exceed 1,250 employees. 13 CFR 121.201. Of the 562 firms registered to do business under this North American Industry Classification System (NAICS) definition (321991), approximately 37 produce manufactured homes subject to the MHCSS. Of the 37 manufacturers subject to the MHCSS, 34 are considered small businesses based on the threshold of 1250 employees or less. The proposed rule would apply to manufacturers and thus would affect a substantial number of small entities.

However, this proposed rule would provide small manufacturers with cost savings resulting from the elimination of the permanent chassis requirement for transportable sections of upper floors of multistory manufactured housing. The proposed rule would reduce the production, transportation, and installation costs of a multistory manufactured home by anywhere from \$4,800 to \$6,700 per unit. There are no costs associated with this proposed rule because manufacturers may elect to not build multistory manufactured home.

Although a substantial number of small manufacturers will be affected by this rule HUD anticipates that the rule will not have a significant economic impact on them, as explained in the regulatory impact analysis. Accordingly, the undersigned certifies that this rule would not have a significant economic impact on a substantial number of small entities.

### **Executive Order 13132, Federalism**

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on State and Local governments or is not required by statute, or the rule preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This final rule does not have federalism implications and does not impose substantial

direct compliance costs on State and local governments nor preempt State law within the meaning of the Executive Order.

### **Environmental Impact**

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The Finding of No Significant Impact is available for public inspection on [www.regulations.gov](http://www.regulations.gov) and between the hours of 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410-0500.

### **Unfunded Mandates Reform Act**

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531-1538) (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and Tribal governments, and on the private sector. This rule would not impose any Federal mandates on any State, local, or Tribal governments, or on the private sector, within the meaning of the UMRA.

### **Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid Office of Management and Budget (OMB) control number. The information collection requirements were previously approved by OMB under the Paperwork Reduction Act and assigned OMB control number 2502-0253.

## **VI. Electronic Access and Filing**

Comments submitted electronically through the [www.regulations.gov](http://www.regulations.gov) website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

HUD will make all properly submitted comments and communications available for public inspection and copying during regular business hours at the above address. Due to security measures at the HUD Headquarters building, you must schedule an appointment in advance to review the public comments by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>. Copies of all comments submitted are available for inspection and downloading at [www.regulations.gov](http://www.regulations.gov).

### **Lists of Subjects**

#### **24 CFR Part 201**

Claims, Health facilities, Historic preservation, Home improvement, Loan programs-housing and community development, Manufactured homes, Mortgage insurance, Reporting and recordkeeping requirements.

#### **24 CFR Part 3280**

Fire prevention, Housing standards

#### **24 CFR Part 3285**

Housing standards, Installation, Manufactured homes

#### **24 CFR Part 3286**

Administrative practice and procedure, Consumer protection, Intergovernmental relations, Manufactured homes, Recordkeeping and recordkeeping requirements.

For the reasons stated in the preamble, HUD proposes to amend 24 CFR parts 201, 3280, 3285, and 3286 to read as follows:

### **PART 201—TITLE I PROPERTY IMPROVEMENT AND MANUFACTURED HOME LOANS**

1. The authority citation for 24 CFR part 201 continues to read as follows:

**Authority:** 12 U.S.C. 1703; 15 U.S.C. 1639c; 42 U.S.C. 3535(d).

2. In § 201.2, revise the definition of “manufactured home” to read as follows:

**§ 201.2 Definitions.**

\* \* \* \* \*

*Manufactured home* has the same meaning as defined in 24 CFR 3280.2. A new manufactured home must comply with the minimum property standards prescribed by the Secretary to assure its livability and durability that are published as the Manufactured Home Construction and Safety Standards at 24 CFR part 3280, which implement the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. 5401-5426. To qualify for a manufactured home loan insured under this part, an existing manufactured home must have been constructed in accordance with standards published at 24 CFR part 3280 and must meet standards similar to the minimum property standards applicable to existing homes insured under title II of the Act, as prescribed by the Secretary.

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**PART 3280—MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS**

3. The authority citation for 24 CFR part 3280 continues to read as follows:

**Authority:** 15 U.S.C. 2697, 42 U.S.C. 3535(d), 5403, and 5424.

4. In § 3280.2, revise the definition of “manufactured home” to read as follows:

**§ 3280.2 Definitions.**

\* \* \* \* \*

*Manufactured home* means a structure, transportable in one or more sections, which in the traveling mode is 8 body feet or more in width or 40 body feet or more in length, or when erected on-site is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities; and includes plumbing, heating, air-conditioning, and electrical systems

contained in the structure. This term includes all structures that meet the above requirements except the size requirements and with respect to which the manufacturer voluntarily files a certification pursuant to § 3282.13 of this chapter and complies with the construction and safety standards set forth in this part 3280. The term does not include any self-propelled recreational vehicle. Calculations used to determine the number of square feet in a structure will include the total of square feet for each transportable section comprising the completed structure and will be based on the structure's exterior dimensions measured at the largest horizontal projections when erected on site. These dimensions will include all expandable rooms, cabinets, and other projections containing interior space, but do not include bay windows. Nothing in this definition should be interpreted to mean that a manufactured home necessarily meets the requirements of HUD's Minimum Property Standards or that it is automatically eligible for financing under 12 U.S.C. 1709(b). Nothing in this definition requires each transportable section to be built on a permanent chassis except for the transportable sections designed to be used as the lowest floor of a manufactured home.

\* \* \* \* \*

5. Amend § 3280.6 by revising paragraph (a) to read as follows:

**§ 3280.6 Serial number.**

(a) A manufactured home serial number which will identify the manufacturer and the state in which the manufactured home is manufactured, must be stamped into the foremost cross member. In cases where a section is designed to be an upper floor and where the chassis is removable, a metal plate stamped with the serial number must be securely affixed, using screws, to the inside face of the foremost floor joist. Letters and numbers must be 3/8 inch minimum in height. Numbers must not be stamped into hitch assembly or drawbar.

\* \* \* \* \*

**§ 3280.113 [Amended]**

6. Amend § 3280.113 as follows:

a. In paragraph (c) introductory text, remove the citation to “paragraph (d)” and add, in its place, a citation to “paragraph (e)”, and remove the citation to “paragraph (c)” and add, in its place, a citation to “paragraph (d)”;

b. In paragraph (e) introductory text, remove the citation to “paragraph (b)” and add, in its place, a citation to “paragraph (d)”;

c. In paragraph (e)(4), remove the citation to “paragraph (b)(6)” and add, in its place, a citation to “paragraph (c)(6)”; and

d. In paragraph (e)(5), remove the citation to “paragraph (b)(7)” and add, in its place, a citation to “paragraph (c)(7)”.

7. Amend § 3280.305 by revising paragraphs (a) and (e) to read as follows:

**§ 3280.305 Structural design requirements.**

(a) *General.*

(1) *Integrated structure requirement.* Each manufactured home must be designed and constructed as a completely integrated structure capable of sustaining the design load requirements of this part and must be capable of transmitting these loads to stabilizing devices without exceeding the allowable stresses or deflections. Roof framing must be securely fastened to wall framing, walls to floor structure, and floor structure to chassis to secure and maintain continuity between the floor and chassis, so as to resist wind overturning, uplift, and sliding as imposed by design loads in this part. Uncompressed finished flooring greater than 1/8 inch in thickness must not extend beneath load-bearing walls that are fastened to the floor structure.

(2) *Multistory manufactured homes.* In multistory construction, each story must be securely fastened to the story above and/or below to provide continuity and resist design loads in this part, except that upper floors do not need to be fastened to a chassis when a chassis is not present. Each multistory structure must be limited to a single manufactured home consisting of one to four dwelling units.

\* \* \* \* \*

(e) *Fastening of structural systems.*

(1) *General requirements.* Roof framing must be securely fastened to wall framing, walls to floor structure, and floor structure to chassis, to secure and maintain continuity between the floor and chassis in order to resist wind overturning, uplift, and sliding, and to provide continuous load paths for these forces to the foundation or anchorage system. The number and type of fasteners used must be capable of transferring all forces between elements being joined.

(2) *Multistory manufactured homes.* In addition to the requirements in paragraph (e)(1) of this section, in multistory construction, each story must be securely fastened to the story above and/or below to provide continuity and resist design loads in this section, except that upper floors do not need to be fastened to a chassis when a chassis is not present.

(3) *Impact of Wind Zones.* For Wind Zone II and Wind Zone III, roof framing members must be securely fastened at the vertical bearing points to resist design overturning, uplift, and sliding forces. When engineered connectors are not installed, roof framing members must be secured at the vertical bearing points to wall framing members (studs), and wall framing members (studs) must be secured to floor framing members, with 0.016 inch base metal, minimum steel strapping or engineered connectors, or by a combination of 0.016 inch base metal, minimum steel strapping or engineered connectors, and structural-rated wall sheathing that overlaps the roof and floor system if substantiated by structural analysis or by suitable load tests. Steel strapping or engineered connectors are to be installed at a maximum spacing of 24 inches on center in Wind Zone II, and 16 inches on center in Wind Zone III. *Exception:* Where substantiated by structural analysis or suitable load tests, the 0.016 inch base metal minimum steel strapping or engineered connectors may be omitted at the roof to wall and/or wall to floor connections, when structural rated sheathing that overlaps the roof and wall and/or wall and floor is capable of resisting the applicable design wind loads.

\* \* \* \* \*

8. Revise § 3280.901 to read as follows:

**§ 3280.901 Scope.**

Subpart J of this standard covers the general requirement for designing the structure of the manufactured home to fully withstand the adverse effects of transportation shock and vibration without degradation of the integrated structure or of its component parts and the specific requirements pertaining to the transportation system and its relationship to the structure. In multistory construction, nothing in this subpart shall require a transportable section designed to be used as an upper floor of a multistory manufactured home to be built or transported on a permanent chassis.

9. Amend § 3280.902 by revising paragraph (f) to read as follows:

**§ 3280.902 Definitions.**

\* \* \* \* \*

(f) *Transportation system* refers to the chassis.

\* \* \* \* \*

10. In § 3280.904, revise paragraph (b)(9)(i) to read as follows:

**§ 3280.904 Specific requirements for designing the transportation system.**

\* \* \* \* \*

(b) \* \* \*

(9) \* \* \*

(i) *Braking axles.* The number, type, size, and design of brake assemblies required to assist the towing vehicle in providing effective control and stopping of the manufactured home must be determined and documented by engineering analysis. Those alternatives listed in § 3280.903(b)(1) may be accepted in place of such an analysis. Unless substantiated in the design to the satisfaction of the approval agency by either engineering analysis in accordance with § 3280.903(b)(1) or tests in accordance with paragraph (b)(9)(ii) of this section, there must be a minimum of two axles equipped with brake assemblies on each transportable section of the

manufactured home including any transportation system used for an upper floor of a multistory  
manufactured home.

\* \* \* \* \*

**PART 3285—MODEL MANUFACTURED HOME INSTALLATION STANDARDS**

10. The authority citation for 24 CFR part 3285 continues to read as follows:

**Authority:** 42 U.S.C. 3535(d), 5403, 5404, and 5424.

11. In § 3285.5, revise the definition of “manufactured home” to read as follows:

**§ 3285.5 Definitions.**

\* \* \* \* \*

*Manufactured home* has the same meaning as defined in 24 CFR 3280.2.

\* \* \* \* \*

**PART 3286—MANUFACTURED HOME INSTALLATION PROGRAM**

12. The authority citation for 24 CFR part 3286 continues to read as follows:

**Authority:** 42 U.S.C. 3535(d), 5404, and 5424.

13. In § 3286.3, revise the definition of “manufactured home” to read as follows:

**§ 3286.3 Definitions.**

\* \* \* \* \*

*Manufactured home* has the same meaning as defined in 24 CFR 3280.2.

\* \* \* \* \*

**Joseph Gormley,**

President of the National Mortgage Association Performing the Delegable Duties of the Assistant  
Secretary for Housing—Federal Housing Commissioner