



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR- 5880-N-02]

Notice of Second Extension of Time for Completion of Manufacturer Notification and Correction Plan

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

ACTION: Notice of Second Extension of Time.

SUMMARY: This notice advises the public that HUD received a request from Clayton Homes, Inc. (Clayton) for an extension of time to fully implement its plan to notify purchasers and correct certain manufactured homes that were installed with TruVent plastic range hood exhaust ducts, an item that Clayton agreed to recall after a HUD audit questioned whether the duct complied with HUD's Manufactured Home Construction and Safety Standards. The recall includes homes built by the following Clayton manufacturing subsidiaries: CMH Manufacturing, Inc.; CMH Manufacturing West, Inc.; Southern Energy Homes, Inc.; Giles Industries, Inc.; and Cavalier Homes, Inc. Clayton initiated the recall on April 6, 2015. On May 30, 2015, Clayton requested additional time to complete repairs on affected homes. After reviewing Clayton's request, HUD determined that Clayton had shown good cause and granted its request for an extension until August 3, 2015. HUD notified the public regarding its determination on June 15, 2015. Due to additional difficulties in notifying all affected homeowners, however, Clayton requested a second extension on July 23, 2015. After reviewing Clayton's second request, HUD determined that Clayton has shown good cause and granted its second request for an extension. Clayton's extension is granted until September 2, 2015.

DATE: *Effective Date:* August 3, 2015.

FOR FURTHER INFORMATION CONTACT: Pamela Beck Danner, Administrator, Office of Manufactured Housing Programs, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 9166, Washington, DC 20410, telephone 202-708-6423 (this is not a toll-free number). Persons who have difficulty hearing or speaking may access this number via TTY by calling the toll-free Federal Information Relay Service at 800-877-8339.

SUPPLEMENTARY INFORMATION:

The National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401-5426) (the Act) authorizes HUD to establish the Federal Manufactured Home Construction and Safety Standards (Construction and Safety Standards), codified in 24 CFR part 3280. Section 615 of the Act (42 U.S.C. 5414) requires that manufacturers of manufactured homes notify purchasers if the manufacturer determines, in good faith, that a defect exists or is likely to exist in more than one home manufactured by the manufacturer and the defect relates to the Construction and Safety Standards or constitutes an imminent safety hazard to the purchaser of the manufactured home. The notification shall also inform purchasers whether the defect is one that the manufacturer will have corrected at no cost or is one that must be corrected at the expense of the purchaser/owner. The manufacturer is responsible to notify purchasers of the defect within a reasonable time after discovering the defect.

HUD's procedural and enforcement provisions at 24 CFR part 3282, subpart I (Subpart I), implement these notification and correction requirements. If a manufacturer determines that it is responsible for providing notification under § 3282.405 and correction under § 3282.406, the manufacturer must prepare a plan for notifying purchasers of the homes containing the defect

pursuant to §§ 3282.408 and 3282.409. Notification of purchasers must be accomplished by certified mail or other more expeditious means that provides a receipt. Notification must be provided to each retailer or distributor to whom any manufactured home in the class of homes containing the defect was delivered, to the first purchaser of each manufactured home in the class of manufactured homes containing the defect, and to other persons who are registered owners of a manufactured home in the class of homes containing the defect. The manufacturer must complete the implementation of the plan for notification and correction on or before the deadline approved by the State Administrative Agency or the Department. Under § 3282.410(c), the manufacturer may request an extension of the deadline if it shows good cause for the extension and the Secretary decides that the extension is justified and not contrary to the public interest. If the request for extension is approved, § 3282.410(c) requires that the Department publish notice of the extension in the Federal Register.

During a HUD audit of the CMH Manufacturing Savannah, TN, facility, the use of TruVent plastic expanding vent pipes for the range hood exhaust was questioned as not being in compliance with § 3280.710(e) of HUD's Construction and Safety Standards. On April 6, 2015, after reviewing the matter, Clayton agreed to begin a recall of homes sold with the plastic expanding vent pipes and repair the homes by installing new metal ducts. On May 30, 2015, Clayton requested an extension of time to complete the correction process. On June 4, 2015, HUD granted the extension until August 3, 2015. HUD notified the public regarding its determination on June 15, 2015 (80 FR 34165). However, on July 23, 2015, Clayton requested an additional 30 days to complete its repairs. With its request, Clayton submitted an update on the implementation on its plan of notification and correction. Specifically, Clayton stated that it was still attempting to contact approximately 162 homeowners that had not responded to its

certified notification letter. To contact these homeowners, Clayton stated that it was attempting to contact these homeowners by telephone based upon the purchaser information on record. In addition, Clayton stated that it had requested that personnel in its retail locations physically go to purchasers' addresses to attempt to contact the homeowner personally.

Given Clayton's continued efforts to contact these homeowners, this notice advises the public that HUD determined that Clayton has shown good cause for the extension and that the extension is justified and not contrary to the public interest. As a result, HUD granted Clayton's requested extension until September 2, 2015, to permit it to continue its good faith efforts to continue repairs on the remaining homes affected by this recall.

Dated: August 7, 2015

Pamela Beck Danner, Administrator
Office of Manufactured Housing Programs

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