

Perils of Purchasing a Manufactured Home

The problems that lead to financial peril for manufactured homebuyers fall into two general categories: financing and other costs associated with the purchase; and the site placement and space rents.

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Manufactured homes are a popular housing choice, especially for young people buying their first home, and for retired couples seeking a low-maintenance residence. However, as many homebuyers have learned, a manufactured home purchase can involve unexpected or unnecessary costs, which can occasionally be so high that buyers cannot keep up with their payments and expenses and may risk losing their home or even being forced into bankruptcy.

The problems that lead to financial peril for manufactured homebuyers fall into two general categories: financing and other costs associated with the purchase; and the site placement and space rents.

The first of these problems, financing and other purchase-related costs, can often be avoided if a buyer comes armed with some knowledge about financing terms, fees and the cost of setting up a manufactured home, rather than relying upon a salesman

for this information. Many people are not aware that a manufactured home is considered personal property, like a car or camper; it is not real estate or real property. Unlike real estate salespeople, mobile home salespeople are not required to be licensed. The lack of licensing and the inadequate regulation of manufactured home sales can result in unscrupulous practices. Although the majority of dealers are probably honest and ethical, oral misrepresentations by salespeople are a continuing source of complaint by manufactured homebuyers. For example, a salesperson may not tell the buyer about all the financing options that are available, may not disclose all the material terms of a sale that result in a higher cost than the buyer intended, or may make deceptive claims about the resale value of the home (rarely does a manufactured home increase in value over time, but buyers sometimes are led to believe they do).

One significant cost that buyers are frequently unaware of and which is not always fully disclosed at the time of purchase, is the setup cost. "Manufactured home" is the accepted term

for what was once called a mobile home; the change in terminology may reflect the fact that manufactured homes are really not very "mobile" at all. Unless the homebuyer owns a lot on which to place the manufactured home park or community. Once the house is situated in a park, the chances are it will remain permanently.

Manufactured homes are subject to code standards that individual manufactured home parks must comply with if they want to keep their home in the park. At the time the home is set up in the rented place, the park owners will require the homeowner to pay for improvements that may include a driveway, carport, skirting, gutters awnings, deck, outbuildings, building permit fees, as well as systems development charges (e.g., sewer lines and the like). These "park packages" as they are called can be extremely costly, and the homeowner naturally gives up these improvements without compensative if the home is removed from the park.

Since moving the home is rarely a good option, the homeowner has limited leverage in negotiating terms with park owners, and also has very little recourse under current Oregon law

to periodic increases in space rents.

With very little regulation or oversight of the manufactured home industry, it is easy for a homebuyer to pay thousands more than necessary because of lack of information, or occasionally due to deceit on the part of mobile home sellers and park owners. As a result of the situation, the Oregon Attorney General's office last fall convened a Manufactured Housing Task Force to look at the industry and recommend changes in state policy.

Among the recommendations of the Task Force are: licensing for manufactured home salespeople; the adoption of a uniform sales contract that would include a good faith estimate of all costs associated with purchase; and the development of first-time buyer education programs that would be made available by dealers. Other recommendations of the task force would make it easier for park tenants to acquire control of the parks where they live and mediation for disputes over rent increases.

Unless and until the recommendations result in new laws or policies, manufactured homebuyers should proceed with caution and become fully informed consumers before signing a sales contract.

IF YOU HAVE QUESTIONS ABOUT A MANUFACTURED HOME PURCHASE, PLEASE CALL THE GRAND RONDE LEGAL SERVICES 503-472-9561 ... 1-800-781-8500

David and Donna Lewis are proud parents of **SAGHALEY WAYNE LEWIS.**



Saghaley was born in Eugene, Oregon on March 6th, and weighed 9lbs. 12.5 oz.



JOSEPH JORDAN STORM
December 09, 2000
8 lbs and 2 oz - 19 3/4 inches

Parents:
Jeremy & Sasha McKnight Storm
Grandparents: Raymond McKnight and June McKnight



HAPPY FIRST BIRTHDAY BRODY

05-24-2001
Love Mom and Dad,
Grandma's and Grandpa's,
Uncle Larry and Aunt Jyn Hoeper,
Olsen and Peed families.

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The family of Grand Ronde Tribal Elder **ARVELLA HOUCK**

would like to invite everyone to come and help the family celebrate "Grannie's" 92 Birthday at the Tribal Community Center on **SUNDAY, MAY 20 AT 1 P.M.**



TOMMY JOE MELSON, age 16, grandson of the late Lauretta Hudson Foster. Tommy Joe shot this 4x4 mule deer opening day in Eastern Oregon in 2000. The buck was entered in a Big Buck Contest that Tommy won. He received a trophy and a free head mount.

HAPPY 41ST WEDDING ANNIVERSARY Patsy & Gene Pullin

Just so you (my family) know that I think about you on your special days

HAPPY BIRTHDAY TO:
• BETSY PAKALI on Sunday, May 20
• BRENNA STONE on Thursday, May 17
• BRETT STONE on Monday, May 28
• MIRANDA CLOUD on Monday, May 14
• TIM LANE on Sunday, May 20

HAPPY MOTHER'S DAY TO MY MOM BETSY SCHAFER
Thanks so much from your Sis, Auntie, Daughter and Mom - Sonya
Love you guys!

Happy Birthday DELORES SPOHN GOOD May 1

