

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS**

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INFORMATION BULLETIN 2007-06 (OL, RT)

**TO: Manufactured Home/Mobilehome Dealers
 Financial Institutions
 Escrow Companies
 Registration and Titling Interested Parties
 Division Staff**

SUBJECT: \$10 MANUFACTURED HOME RECOVERY FUND FEE

Senate Bill 2229/Craven (Chapter 1442, Statutes of 1984) established the Mobilehome Recovery Fund which was later renamed the Manufactured Home Recovery Fund (MHRF) and designated the Department of Housing and Community Development (HCD) to administer the fund.

The purpose of the fund is to provide reimbursement of up to \$75,000 to purchasers, sellers, and investors of manufactured homes and mobilehomes who have been victims of fraud or misrepresentation or who have suffered actual losses due to a failure to honor warranties or guarantees, among other things. See Health and Safety Code Section 18070.3 for information on filing a claim and a complete list of acceptable conditions under which a claim against the MHRF can be filed.

The MHRF is funded by collection of a onetime fee paid by manufactured home or mobilehome dealers and salespersons and a \$10 fee collected each time a manufactured home or mobilehome is sold. Pursuant to Health and Safety Code Section 18070.2, whenever the fund exceeds one million dollars (\$1,000,000), HCD is to reduce or suspend collection of the MHRF fee; and, when the fund balance falls below one million dollars (\$1,000,000), HCD may reimpose collection of the MHRF fee.

The purpose of this Information Bulletin is to provide notice of the reimposition of the \$10 MHRF fee because HCD is projecting that, by January 1, 2008, the balance of the Manufactured Home Recovery Fund will fall below one million dollars (\$1,000,000). The \$10 MHRF fee shall be collected for sales of manufactured homes and mobilehomes occurring on or after January 1, 2008.

The date of sale as defined by Health and Safety Code Section 18070.2 is either: (1) the date escrow closes for sales by dealers which are subject to Section 18035, 18035.2, or 18035.26 or (2) for all other sales, the date when the purchaser has paid the purchase price or signed a security agreement or purchase contract and has taken physical possession or delivery of the manufactured home or mobilehome. Sales between private parties are subject to payment of the \$10 MHRF fee; however, transfers of ownership between family members are not.

If you have any questions or need additional information pertaining to this Information Bulletin, please contact the Registration and Titling Program at (800) 952-8356 or (916) 323-9224.

A handwritten signature in black ink, appearing to read "Kim Strange", with a stylized flourish extending to the right.

Kim Strange
Deputy Director