BOND OR UNDERTAKING REQUIREMENTS FOR MANUFACTURED HOMES/MOBILEHOMES, COMMERCIAL MODULARS, TRUCK CAMPERS, AND FLOATING HOMES

Section 18086.5 of the California Health and Safety Code provides that the Department of Housing and Community Development (Department) may accept a bond or undertaking to support the issuance of the California Certificate of Title when regular evidence of ownership is not obtainable.

The Department may receive an application and investigate the circumstances of the case. However, before a bond may be accepted by the Department in lieu of proper titling documents, the applicant must present a Statement of Facts giving the following information:

1. Explain the circumstances of how possession of the unit was taken (i.e., how, when and from whom was the unit acquired).

2. What effort was made to contact the last owner(s) of record to obtain evidence of ownership and why it is not obtainable?

3. Provide the current market value of the unit.

The bond submitted to the Department must meet the following requirements:

1. The bond must be equal to the current market value of the unit. When determining market value, the Department may at its discretion, use an approved value guide or the actual known sales or purchase price of the unit.

2. The bond must name the principle, the person purchasing the bond. This can be the owner of the unit or another person.

3. The bond must list the surety company’s name. The surety company must be authorized to transact business in the State of California.

4. The bond must provide a sufficient description of the unit so that the Department may verify for which unit the bond is submitted. The descriptive information may include, but is not limited to, decal or license number, serial number, and trade name or manufacture name.

5. The bond must be valid for three (3) years and protect the Department and any future owner against loss resulting from any defect in or undisclosed claim upon ownership of the unit.

6. The bond must be signed and dated by the principal and the surety company.

The Department does not provide a bond form for use by surety companies. However, a sample of a bond is provided on the reverse side to assist surety companies in preparing a bond.

NOTE: The final determination as to the circumstances requiring a bond and the amount of the bond rest with the Department.
MANUFACTURED HOME/MOBILEHOME, COMMERCIAL MODULAR, TRUCK CAMPER OR FLOATING HOME BOND

KNOW ALL MEN BY THESE PRESENTS:

That We, ________________, as Principal, and ________________, corporation organized under the laws of the State of ________________ and authorized to transact a general surety business in the State of California, as Surety, are held and firmly bound unto the State of California, Department of Housing and Community Development thereof, its officers and employees, for the use and benefit thereof and of any interested person as hereinafter specified in the penal sum of Dollars ($________________________) lawful money of the United States of America, for the payment whereof well and truly to be made, we hereby bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THE FOREGOING OBLIGATION IS SUCH THAT:

WHEREAS, the above bounden Principal has made application to the Department of Housing and Community Development of the State of California for the registration of and the issuance of a California Certificate of Title for the following described Manufactured Home/Mobilehome, Commercial Modular, Truck Camper or Floating Home to wit:

WHEREAS, The said Principal has not presented to the said Department of Housing and Community Development the regularly required supporting evidence of ownership of the said Manufactured Home/Mobilehome, Commercial Modular, Truck Camper or Floating Home, and;

WHEREAS, The said Department has required said Principal to deposit with it a bond in accordance herewith as a condition to the issuance of a California Certificate of Title for the said Manufactured Home/Mobilehome, Commercial Modular, Truck Camper or Floating Home.

NOW THEREFORE, if said obligors shall fully protect, indemnify and save harmless the Department of Housing and Community Development of the State of California, and any and all officers and employees thereof and any and all subsequent purchasers of said Manufactured Home/Mobilehome, Commercial Modular, Truck Camper or Floating Home and any and all persons acquiring any lien or encumbrance thereon and the successors in the interest of any and all of said persons, against any and all claims, suits, actions, loss and damage on account of any defect in or undisclosed claim, lien, or encumbrance of whatever nature upon said Manufactured Home/Mobilehome, Commercial Modular, Truck Camper, or Floating Home or the right, title and interest of said Principal in or to said Manufactured Home/Mobilehome, Commercial Modular, Truck Camper or Floating Home, then this obligation shall be null and void; otherwise to remain in full force and effect.

THIS BOND IS SUBJECT TO THE FOLLOWING PROVISIONS:

1. That any interested person may, in addition to any other remedy he may have, bring an action in his own name to recover hereon any damages sustained by him by reason of any breach of the conditions for which this bond is deposited and in such shall have and recover costs and reasonable attorney fees.
2. That the aggregate liability of the Surety above named on this obligation to all such interested persons shall in no event exceed the penal sum of this bond.
3. Upon written request from the applicant, this bond may be returned and surrendered at the end of three years from the date hereof or prior thereto in the event the said Manufactured Home/Mobilehome, Commercial Modular, Truck Camper or Floating Home is no longer registered in the State of California and the currently valid Certificate of Title is surrendered to the Department of Housing and Community Development, provided, that such return or surrender of this bond shall not affect any liability theretofore incurred or accrued.

Signed and sealed this _______________ day of _______________ year of _______________.

PRINCIPAL

SURETY

ADDRESS OF SURETY

TITLE OF OFFICER

(Attach Notary Public's Certificate of Acknowledgment of Principal and Surety)

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