



AMENDMENT TO CLARIFY THAT RECREATION VEHICLES (RVs) ARE EXCLUDED FROM HUD JURISDICTION

Issue: Clarification is needed to clear up confusion regarding the line between recreation vehicles and manufactured housing in the Department of Housing and Urban Development (HUD) definition of manufactured home.

Background: The function of manufactured housing (formerly referred to as mobile homes) is to provide economically priced, residential housing which is permanently-sited on a foundation and permanently connected to public utilities. The purpose of recreation vehicles (RVs) is to provide temporary living quarters for camping or recreational use. RV trailers, including travel trailers, fifth wheel trailers, and park model RVs are not designed or built to be permanent housing and in fact, most are vehicles.

The National Highway Transportation Safety Administration (NHTSA) regulates virtually all recreation vehicles. These vehicles are required to comply with federal motor vehicle safety standards and must be of a size that can legally travel down the road. Just like cars and trucks, RVs are subject to NHTSA recall notice requirements for reporting and correcting defective vehicles and equipment. In addition, all 50 states define and regulate RVs as vehicles and the manufacturers and dealers who sell them are licensed as vehicle manufacturers and vehicle dealers.

Because RVs are not housing, HUD's regulation for manufactured housing exempts RVs from its manufactured housing construction standards. However, the way that HUD imprecisely defines RVs (and by extension RV park models) creates confusion when government officials try to distinguish manufactured homes from RVs.

Problem: The current line between RVs and manufactured homes are spelled out in complex 30-year old HUD laws, regulations, and interpretations. And those did not contemplate the invention of the "slide out room" in travel trailers and fifth-wheel trailers and the evolution of the park model RV (the term park model does not appear in the HUD regulation).

- This lack of specificity has led some jurisdictions to confuse larger RVs with manufactured housing when setting tax and zoning regulations at campgrounds where RV products are used.
- The lack of clarity has started giving some retail RV lenders pause in light of new banking regulations. Banks require a clear line of sight to lending categories and asset classes that is easily justifiable to regulators. Given these new banking regulations, the unclear language of the HUD RV definitional exemption has caused some lenders apprehension with regard to park model RV loans.

Further compounding the confusion between manufactured homes and RVs is the fact that maximum vehicle dimension laws have increased for all vehicles, including travel trailers and fifth wheels, since HUD's 1974 manufactured home law definition was created. As a consequence, vehicles such as travel trailers and fifth wheels that comply with maximum vehicle dimension laws may fall under the manufactured home definition by virtue of these same dimensions.

Proposed Solution: Congressman Marlin Stutzman and Congresswoman Jackie Walorski along with Senators Joe Donnelly and Dan Coats have proposed language that would clearly spell out the line between RVs and manufactured housing in the National Manufactured Housing Construction and Safety Standards Act. This language does not *change* the line between these products but simply makes the line perfectly clear to all stakeholders, especially RV lenders.

Please convey support for the RV HUD definition clarification to members of the Indiana delegation: Senators Coats and Donnelly, or Representatives Stutzman and Walorski.



RECREATION VEHICLE INDUSTRY ASSOCIATION

1896 Preston White Dr. P.O. Box 2999 Reston, VA 20195-0999 Tel: 703/620-6003 Fax: 703/620-5071 www.rvia.org