



## RECREATION VEHICLE (RV) EXEMPTION TO MANUFACTURED HOUSING ACT NEEDS UPDATING AND CLARIFICATION

**Issue:** Housing and Urban Development (HUD) rules surrounding the RV exemption to the Manufactured Housing Act need updating. Clarification is needed to clear up confusion regarding the line between recreation vehicles and manufactured housing in the 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.

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 is spelled out in complex 30-year old HUD laws, regulations, and interpretations. Of course "slide out rooms" in travel trailers and 5th-wheels and the evolution of the park model RV were not contemplated (the term park model does not even 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.

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 5th wheels, since HUD's 1974 manufactured home law definition was created. As a consequence, travel trailers and 5th wheels that comply with maximum vehicle dimension laws may fall under the manufactured home definition by virtue of these same dimensions.

### **Recent Action:**

In December, the HUD Manufactured Housing Consensus Committee (MHCC) recommended that a Rule be promulgated to resolve this issue by defining RVs by the RV standard to which they are built rather than by a complicated set of specifications. It is critical to the RV industry that this recommendation be enacted by HUD as quickly as possible. Recently, Administrator Pamela Danner indicated that Rule would be forthcoming in 2015.

**Request:** Please contact HUD Administrator Danner and express thanks and support for expediting the Rulemaking that will clarify the distinctions between RVs and manufactured housing and ask that HUD share with your office what the Rule will propose.

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