



FBOA Corporate Member Spotlight on...

Keith O’Gorman, Attorney at Law

We’re starting a new feature this month to introduce you to some of our corporate members who believe Factory Built Owners of America’s mission to improve the quality of life of people living in factory built homes. This month, we’re pleased to introduce you to **Keith O’Gorman, Attorney at Law** who lives in San Antonio, Texas. Mr. O’Gorman was born in Shamrock, Texas, and he graduated from the University of Texas School of Law in 1972. He served as the chairman of the Consumer Law Section, Texas State Bar from 1981-82 and has served the State Bar in numerous leadership roles and activities. Mr. O’Gorman serves as an Associate Professor of Law at St. Mary’s School of Law, is the author of numerous articles, and is a frequent speaker concerning consumer credit. He has consulted extensively in the drafting of various con-

sumer statutes enacted by the Texas Legislature since 1977. Mr. O’Gorman’s firm, O’Gorman and Stafford, is primarily an insurance and business law firm. The firm’s client base includes insurance companies, financial institutions, international finance companies, large contractors, and real estate and bankruptcy clients.

Of FBOA, Mr. O’Gorman says, “I support FBOA because I have always thought that the factory-built housing industry needed an organization for consumers, to provide good education and focus on consumer issues. I believe that FBOA is good for the image of factory-built housing, helping get out the message that these homes are no longer ‘wobbly boxes.’”

Don’t miss Keith O’Gorman’s article on page 3 about protecting your property from title and tax lien issues.

Schedule a 2007 FBOA Educational Seminar

Bring FBOA to your community for an educational seminar on topics of interest to you and your neighbors. Popular topics include:

- All About Your Factory Built Home (Construction/ Maintenance & Repair, Taxes, State Regulations, etc.)
- The Basics of Homeowner Insurance
- Energy Efficiency for Your Factory Built Home
- Identity Theft and Protecting Yourself from Fraud and Scams
- Understanding Your Credit Report

FBOA-sponsored meetings are free to your community. We bring the speaker, informative handouts and snacks. All you need to do is publicize the meeting. Call 1-866-764-5505 today to schedule your 2007 FBOA educational seminar!

FBOA Meeting in WA Draws 59 People

“We had our presentation on Monday, November 13, 2006 by **Factory Built Owners of America**. Fifty-nine(59) people came to our **"Preventing Identity Theft"** program. Amy provided lots of hand outs and a sandwich supper with door prizes. We had a very good time and the residents were very thankful. A real positive community event. ... **I would highly recommend this idea to our other managers.** Thanks so much.”

Carol Parish,
Community Manager

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Understanding Your Foundation: Anchoring Factory Built Homes (Part 3 of a 3-part series)

By Jim McKelvey, Manufactured Home Repair Expert and exclusive FBOA columnist



I hope you are healthy, happy, and getting ready for the holiday season—my favorite time of year! Boy, anchoring is a big subject in itself. There are many approved, recommended, and innovative tie-down systems available on the market today. There are also permanent foundation systems where the “I” beams are actually welded down and a standard tie-down system might not be required. But I am going to talk about the most common tie-down systems that are presently being used.

There are two common tie-down straps that are used. Both are made of a galvanized coated steel strap that is 1 1/4” wide. One attaches to the frame, called a frame strap, and the other is called an overhead strap. Overhead straps are usually used on single section homes, and are installed during manufacturing. The straps actually hang from the outer bottom edge of the home. They are behind the exterior siding and run up a wall stud, over the outer edge of a roof rafter, and down the other wall stud. The same strap

that is hanging on the front door side of the home, is the same one that is hanging out the backside of the home. The number of straps that a manufacturer installs on a manufactured home, and the number of straps that may be required to actually be used/connected, varies according to the location and type of home. If a home is to be installed near the coast, and it is a wind zone II or III home, there maybe overhead straps every 4’ and they may all be required to be connected. My take on the overheads is this: if you have them, why not connect them? If there is already an anchor in the ground, directly below an overhead strap, the only cost

In most regions, there are three types of commonly used anchors: the patio anchor, the cross-drive anchor, and the auger.

to connect it is a \$1.00 anchor bolt, and 15 minutes—and your home will be safer in severe weather.

Multi-section homes usually don’t use overhead straps because the homes split apart for transport, so you couldn’t have a continuous strap running from the front side of the home to the back side of the home. Most older homes that were built before 1976 did not use overhead straps. **Atlas Supply of Houston** actually sells tie-down straps by the roll, along with a roof bracket that is placed at the roof’s outer edge on both the front door and the back door side of the home. A strap is then connected to an anchor, then runs straight up the outside of the exterior wall, through the roof bracket, over the

roof, thru another roof bracket down the back side wall and connects to another anchor. This might not look that pretty, but it is effective.

The frame straps are basically a small steel plate that would be similar to a flat opened hand, with tight bent fingers. You would hook the “hand” on the inside bottom lip of the “I” beam. From your wrist would be a galvanized strap that is from 7’ to 12’ long, depending on the need. This strap would run to the outer edge of the home, and connect to an anchor. If straps have been cut too short, there are simple, inexpensive strap buckles or a crimping tool designed specifically for splicing that will splice together straps.

In most regions, there are three types of commonly used anchors: the patio anchor, the cross-drive anchor, and the auger. These are all different and designed for a specific use. All of them have a similar head. They look like a saddle turned upside down, or a U, with two sets of holes on the top edge. The holes may be square. It is designed for two 3/4” diameter slotted bolts to go thru these holes, parallel with each other. Just below the head of the bolt, there is a short square neck. When the tie-down strap is slipped thru the slot in the bolt and wound up, like a key on a sardine can, the bolt can be tightened and the square neck slips into the square hole. The bolt becomes locked. The reason that each head has room for two bolts is that one can be used for a frame strap and one can be used for an overhead strap. Each one of these anchors is designed to hold over 10,000 pounds each.

(Continued on page 5)

And You Thought You Owned Your Home!

Ensuring That You Have Clear Title to Your Factory Built Home

By Keith O’Gorman, Attorney at Law

While it has often been said that possession is 9/10ths of the law, the other 1/10th is the most important tenth. It is critical that when you purchase a home, you get a clear and complete title to the home. There are a number of pitfalls and they vary from state to state. **To be certain that you have a good and clear title to your factory built home, there are a number of rattlesnakes to watch for so that you do not get bit.**

The nature of titles varies from state to state, and you must acquaint yourself with the title laws of the state where your home is located.

Most states have titles to factory built homes that are similar to car titles. If you live in such a state, you must be careful to keep your title in a secure place that is safe from destruction by fire or other means and also safe from theft. The car-type title is a negotiable instrument. In other words, whoever has physical possession of the title owns the home. It cannot be stressed enough how important it is that you secure the title. Consider storing your title in a locked fire-proof box in your home or in a safe deposit box at your credit union or bank.

Some people play the dangerous game of having an “open title.” In this situation, the person buying the home gets the signatures of all listed owners and lienholders on the title, and then just physically holds the title. A person might choose to do this to avoid paying the transfer fees imposed by the state for the transfer of a title. In this instance, the title really is like cash; if the title is stolen, the thief owns the house. If the title is properly in the owner’s name, at least the thief will have to forge signatures in order to transfer the title to the home. If you have a dispute about whether you sold your home to the thief, you will have some evidence that the sale did not take place.

Titling a factory built home in Texas is different and sometimes misunderstood. In Texas, the title to a factory built home is not a piece of paper – not a negotiable instrument. The owner to a particular factory built home in Texas is the person who is reflected on the records of the Texas Department of Housing and Community Affairs (TDHCA). The Texas title is a lot like real estate ownership. You do not own your home unless the records of the Texas Department of Housing and Community Affairs say that you are the owner. You can check this by going to

the TDHCA’s website www.tdhca.state.tx.us/mh and go to the subfile labeled “Ownership & Location.” If your name is not listed with your serial number and HUD Code number, then you should contact the seller of your home immediately to determine the reason that your ownership has not been filed with TDHCA.

Perhaps the most universal threat to a clear title to your factory built home is the issue of taxes. In most jurisdictions, factory built homes are taxed.

When the tax is not paid, the taxing entity has the ability to place a tax lien on your home and even to seize the home and sell it to obtain proceeds to pay the delinquent taxes. A **tax lien** is a form of security interest imposed on property by law to secure payment of taxes. Tax liens may be imposed for delinquent taxes owed on real property or personal property), or as a result of failure to pay income taxes or other taxes. Therefore, you must be careful to make sure that your taxes are paid so that no one else holds a security interest in your home except you and your lender.

When you buy your home, especially if it is a used home, you must ensure that there are no outstanding taxes. Otherwise, the bargain price that you paid for the home may turn out to not be such a bargain. Many homeowners are shocked to find out that there are tax liens on their homes that were greater than the price that they paid for the home itself. These homeowners have the difficult choice of paying the “surprise” taxes or losing their homes to the taxing authority. If you and the seller agree that you are purchasing a home and that you are responsible for all taxes, make sure you know what taxes are owed on the home; otherwise, you will be left holding the bag, and it is much harder to put the cat back in the bag than to let it out. You must be careful when you buy a used home that you buy from a stable, financially secure seller who will stand behind the sale and be responsible for any taxes that arise in the future. Alternatively, you can check the various taxing authorities and hope that your research is complete and take the risk. In either case, know your risks so that you can accurately evaluate the purchase price.

Once you are certain that you have a good and clear title, then you can enjoy the knowledge that your castle is in fact your castle.☺



Are You In Credit Card Crisis?

Take This Quick 8-Point Quiz

Do you get a cold, clammy feeling when you think of your credit card bills? If so, you are not alone. The average American now has \$8,523 in credit card debt, and, while income has risen 72% during the past decade, personal debt has increased by 123%. Anxiety is only one sign that you may have

- to installment debt payments?
- 5. Do you regularly bounce checks?
- 6. Have any creditors closed accounts?
- 7. Do you skip certain bills every month?
- 8. Do you make only minimum payments on credit cards while continuing to incur charges?

The average American now has \$8,523 in credit card debt.

An affirmative response to any of these questions may indicate credit overextension. Stagnant debts, high interest rates, and punitive finance charges can quickly supersede the benefits of credit. Experts suggest breaking the cycle of debt by reviewing your budget, adjusting expenses, or increasing income. Accelerate payoff time by increasing payments and requesting interest rate reductions. Most importantly, if your debt is unmanageable, stop charging immediately. **Feeling overwhelmed because of credit card debt is natural, but with commitment and a step-by-step approach you can turn crisis into conquest.**

bitten off a bigger bite of plastic than you can chew. Ask yourself the following questions to determine if you are in over your head in debt:

- 1. Do you avoid creditors by not answering the phone?
- 2. Do you ignore bills by stuffing them into a pile or box unopened?
- 3. Do you pay for other charge cards, food or utilities with cash advances or credit?
- 4. Is more than 20% of your net income committed

Call BALANCE toll free 888-456-2227 for free counseling to get out of debt.

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Factory Built Owners of America
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Signature/Firma: _____

I am an _____ owner OR _____ prospective owner of a manufactured home. (Please check one)

Anchoring—(Cont'd from page 5)

The **patio anchor** is designed to be used on concrete slabs. These anchors are easy to install: you just drill a 6" or shorter hole in the slab, drop a wedge bolt into the hole, run the bolt thru the bottom of the anchor, put the nut on and tighten. You only need a drill, a masonry bit, and a socket or wrench. The manufacturer of the anchor will specify the exact size of the wedge bolt to use.

The cross drive anchors start out with 2 short pieces of square tubing that are welded together to make an X. The U head is placed on top. It is all welded together. Two steel rods are slid into the two short pieces of square tubing and each is driven into the ground.

Here in Texas twenty years ago, if we couldn't run an auger into the ground because of rocky soil, we used a cross-drive anchor. Later, we found out that cross-drive anchors installed in this type of soil pulled out fairly easily. The state came back and said that for proper installation, two 3' deep holes are required to be drilled thru solid rock, and rods driven into these predrilled holes. This new rule was a whole new ball game, requiring special equipment and a lot of time. Some shady installers thought they could get away with driving the rods into the ground maybe 1', cut off the other 2', and beat on it a little longer to disguise the fact that the rod was cut. The State got wise and required anchor manufactures to weld a big washer around the end of each rod, which also help the head stay secure. If you are sitting on solid rock, then these anchors should be used, but you should hire someone that has the specialty equipment to install them.

The third anchor is an auger which has the same U head with a single steel rod coming out the

bottom. It is common for these to be 2 ½' & 3' long, with a double helix. A helix is just a circle of metal that has a cut to the center and then is spread open to dig into the soil when screwed into the ground. There are also 4' anchors with a large single helix on the end. These are designed for light to medium density soils, such as sand.

I like these anchors because they really work well. When they are installed properly, if they pull out, they pull a huge wedge of soil, so it is obvious that you have an anchor that has pulled out of the ground. Installers use a special designed tie-down machine that is normally an electric motor that turns from 12 to 17 revolutions per minute. It does a great job.

Usually the home is blocked and then anchored. All of these anchors need to be installed just under the exterior wall of the home so that skirting will cover it. The cross-drive anchors need to be installed at an angle.

When the side of a home is hit with extreme winds, the force can push the home sideways. With the augers installed at an angle, /, and the wind force in this direction <, the force can start pulling the rod thru the soil, causing the home to move sideways and slip off the blocking. Under these conditions, the anchor could end up like this, \.

The designers came up with a remedy. They designed a small shovel head, about the size of the old fold-up military shovels. Once the anchors are installed, but before the straps are connected, one of these little shovel heads, called an anchor stabilizer plate, is driven down into the soil, on the frame side of the auger, up against

the auger head and shaft. Now, the flat shovel head would have to move sideways thru the soil instead of a 5/8" auger shaft when applying the sideways force. This was a little modification that made a big difference.

Now, here is a recommendation. If your home is tied down with augers, and you don't have stabilizer plates, you should have those installed.

In closing, I hope that I haven't totally confused you guys. This is a lot of information, and I attempted to use terms that even a person with little experience might understand so that everyone who owns a factory built home can have a better understanding of what goes into the installation of your home.

Keep the questions and feedback coming. Please write me to let me know what's on your mind, or call me at 1-866-764-5505.

Jim

WELCOME

To our newest
corporate member:

MHI of Arizona

Thank you!

Interested in serving on the FBOA

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factory-built homeowners
to serve on the board.

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FBOA Member Benefits



MHVillage.com operates the Internet's largest manufactured home listing website, currently hosting over 11,000 manufactured home listings. It also provides information on over 17,000 manufactured home communities and offers insurance, finance and other manufactured homes services. **MHVillage.com** is the only MHI-endorsed Internet-based listing website. **MHVillage.com** has links to helpful information for people buying or selling a manufactured home.

FBOA members receive a \$10.00 discount on any For Sale By Owner listing.



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FBOA members receive discounted pricing. Standard freight and shipping charges apply.

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Immediate access to financial counselors is available by phone at 1-888-456-2227 Monday through Thursday from 5:00 A.M. to 8:00 P.M., 5:00 A.M. to 5:00 P.M. on Fridays and 8:00 A.M. to 5:00 P.M. on Saturdays (PST). Multilingual **Info-Line** counselors are qualified to answer a wide variety of money management and credit ques-



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As a benefit of membership in Factory Built Owners of America, FoundationWorks is offering a \$100 discount to FBOA members who install a FoundationWorks system.

If you're an FBOA member, call the FBOA office at 1-866-764-5505 to get the info you need to access the benefits listed above.

A Taxing Subject: Understanding Taxes On Your Factory Built Home

By Betty Savoie, Factory Built Home Tax Expert

The way a factory built home is taxed can be quite different than how a site-built home attached to the land is taxed. Knowing how your home is taxed ensures that you will continue to enjoy the quiet security of your own home. Homeowners who live in parks often believe that the park takes care of the taxes through the lot rent. While the lot rent does help the park owner pay taxes on the land, most states also tax the home itself. It is the individual homeowner who is required to pay personal property taxes on the home structure.

If you have just bought a home or moved a home into a new taxing jurisdiction area, it is important to confirm that the taxing entity has a record on your home to properly assess the taxes. Call your local Appraisal District, County, School, City or Township to make sure that their files show an accurate record of your home. If the taxing entity does not have correct information and is delayed in adding your home to the official tax records, you may receive a delinquent tax bill for taxes due from the time the home was placed in the jurisdiction. A delinquent tax bill may also include penalties, and the homeowner may be required to pay a larger-than-normal bill in a short period of time to avoid incurring additional penalties. This is a problem especially when homes are moved by their owners and there is no recorded sale.

Many factory built home loans are set up so that taxes and insurance are paid by the lender for as long as you are financing your home. This is called “escrow”: the amount a homeowner pays in addition to the monthly house payment to cover the taxes and/or insurance. In fact, many states require lenders to escrow for taxes. If you are refinancing your home, it is important to make sure that the lender collects funds at the time of closing for the up-coming tax year. If funds are not collected in advance of when the taxes are due, your account may show a shortage after the lender makes the yearly tax payment. When the loan is analyzed, your payment will increase to cover the cost of the taxes. Most homeowners are not prepared for a payment increase, so it is important to

make sure that funds to pay the taxes are collected in advance.

If your factory built home loan does not include escrow for property taxes, it is doubly important to set side savings to pay the taxes when due. While some taxing entities allow customers to set up installment payments, many charge extra to set up a payment plan. Also, it's always a good idea to keep your receipt or cancelled check for tax payments, because many lenders require the homeowner to send proof of the tax payment.

In most states, the delinquent tax follows the home, no matter who owns the home. Here are some examples of how property taxes on factory built homes are collected in various states:

Texas: The taxes are collected in the year they are due and you have to be in the home as of January 1 of the tax year in question to be taxed. If the taxes become delinquent, most Texas taxing entities will try to work out payment plans with the homeowner. In some areas, there may be several taxing entities to include county, school, city and/or a water district. The local appraisal district generally handles tax collection for these taxing entities.

Pennsylvania: The tax structure in Pennsylvania is very complex, to include City, School, Borough, Township and/or County taxes. Each taxing entity may have a different tax due date and delinquent dates, and taxes are collected in one installment. Taxing entities will generally not provide information over the phone nor fax a bill copy; copies must be requested in writing and there is a charge for a copy of the bill.

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We welcome your comments, questions, suggestions to **Editor, Factory Built Bulletin** at the email or postal address above.

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FACTORY BUILT OWNERS OF AMERICA

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A Taxing Subject (*cont'd from page 7*)

California: Taxes are collected in two installments, in December and April, and are collected in the current year. California taxing entities also send supplemental tax bills, which are mailed only to the mortgagor or owner of record. If your loan is escrowed for taxes, be sure to notify your lender that you have received a supplemental tax bill so that the taxes can be paid on time.

Michigan: In Michigan, there is always a winter tax bill. Some parts of the state may also vote to have a summer tax bill for the school or village as well.

As you can see, states differ in how taxes are collected on factory built homes. When you understand taxes on your home, you can rest assured that your most important asset is secure. ☺

Is it your TIME TO RENEW?

Thank you for your membership in Factory Built Owners of America in 2006! Each quarter, we mail notices reminding members of their time to renew. The **GOOD NEWS** is that a one-year membership is only \$5.00, and members who renew for two years get a discount. Check out our website to see the **new** benefits available.

Got questions about your factory built home?

We're here for you. Call us!