

**Form FHA 021-4**

**UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
HARRISBURG, PENNSYLVANIA**

**TO:  
State Office  
Area Offices**

**STATE PROCEDURE  
NOTICE**

**ISSUE NO. PA PN 296**

**DATE: 12/05/05**

**RURAL DEVELOPMENT MANUAL CHANGE**

**PA Instruction 1924-A**

**GENERAL - The purpose of this Procedure Notice (PN) is to clarify changes in Agency acceptance of “Modular and/or Panelized Housing Units” relative to the RD Single Family Housing (SFH) program in Pennsylvania. This PN does not apply to “Manufactured (HUD Code) Housing.” A listing of PA RD Accepted Modular Housing Manufacturers is no longer being maintained.**

**REMOVE: PA AN #1196(1924-A) dated December 10, 2004**

**INSERT: PA PN # 296 dated December 5, 2005 following RD Instruction 1924-A**

**1924.8 Development work for modular/panelized housing units.**

**1924.8 (a)** The following supplements and modifies the RD Instructions 1924-A & Exhibit B regarding Agency acceptance of Modular/Industrialized Housing in Pennsylvania:

The National Office has advised as follows: “RD Instruction 1924-A, Exhibit B, Requirements for Modular and/or Panelized Housing Units is outdated. It also does not sufficiently address the approval process for these units given legislation and regulation changes associated with 1924-A.”

“Modular and/or Panelized Housing units should be reviewed and accepted on a case by case basis. All plan reviews and approvals for modular and/or panelized housing are to be done by the State in which the dwelling unit is to be located, and not the State where they are manufactured.”

Therefore, applications for financing of Modular and/or Panelized Housing will now be processed on a case by case basis in the same manner as conventionally built housing. Modular and/or Panelized Housing units should be reviewed and accepted on a case by case basis by the RD office where the loan is to be made.

Modular/Industrialized Housing is regulated by the PA Department of Community & Economic Development (DCED) and is inspected in the manufacturing plant by Third Party Inspection Agencies in accordance with applicable Model Building Codes. However, the site preparation, foundation construction, utility connections, and alterations or repairs are subject to local code enforcement and permitting. All On-Site Work must comply with the PA Uniform Construction Code (UCC).

Each individual loan application will require complete Plans and Specifications, including a “site specific” plot plan showing utilities, grading, site improvements, and reflecting any changes to the foundation design needed to conform to the proposed site, soil, & slope. Verify PA DCED acceptance of the Modular/Industrialized Housing. This is evidenced by a DCED *Insignia of Certification for Industrialized Housing*, which is a silver foil keystone and is located near the home’s electrical panel box. Manufacturer’s installation/set-up instructions and procedures will be provided to the Owner and Rural Development. Specifications must be listed on RD Form 1924-2, “Description of Materials,” or a form providing equivalent detail. That form must be signed by the Contractor responsible for construction.

The *Certification of the Plans & Specifications* for the On-Site Work will be in accordance with the current PA Issuance on that subject. **The Building Permit issued by the Code Official may serve as evidence of certification/acceptance of the On-Site Work for conformance with the PA Uniform Construction Code. Rural Development will obtain copies of the “Inspection Reports” and “Certificate of Occupancy” issued by the Code Official.**

For each individual loan, three (3) complete sets of Plans and Specifications shall be provided to the Rural Development Local Office. To confirm agreement on exactly what is to be constructed, each page of the house Plans and Specifications, including the Site Plans and Elevation drawings, are to be signed by all parties. The Owner, the Contractor, and Rural Development will each receive one (1) set of the signed Plans and Specifications.