

News release
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Brown critical of regulators

CHARLESTON -- A state regulatory board came under fire Thursday from a trade association president who accused it of crippling industry with arbitrary fines he labeled "ridiculous."

Steve Brown, co-president of the West Virginia Housing Institute Inc., accused the state Board of Manufactured Housing Construction and Safety of illegally soliciting inspections of private homes then fining factory-built home dealers as a result.

Board members defended their actions and denied Brown's assertions. Brown, of Hurricane, owns a series of factory-built retail outlets in West Virginia and Kentucky known as The Home Shows Inc.

"We throw out fines like they are water in this office," Brown complained to the five-member board as it acted on a number of disciplinary cases at the Capitol. "It's entirely disappointing to see how many people are being disciplined on minuscule issues. I think it's absolutely ridiculous."

Brown charged the fines levied by the board for a host of what he considered relatively minor violations is discouraging to the \$100 million-a-year industry, which produces more than 60 percent of new housing in the state. The fines go to a state fund used to reimburse homeowners for problems they find in their homes.

Overregulation is stifling development in factory-built housing, while stick-built construction is not regulated at all, Brown said. He said the process was arbitrary.

"You people brought this upon yourself," countered board member Jack Albert.

Brown said current industry officials should not be blamed for past problems. "You're penalizing good people," Brown said.

Brown also criticized the panel for what are known in the industry as "random audits." State regulators call homeowners and ask to inspect their homes. If a violation is found, disciplinary action is taken against the retailer.

State law allows regulators to make inspections only upon a written complaint of a consumer, Brown said. He asserted the random audits are illegal.

The state makes the inspections under authority of the U.S. Department of Housing and Urban Development, based upon an "interpretation of a recommendation by HUD," Albert said. Brown said he would challenge that interpretation in court.

If the industry wants changes in the way the board conducts its business, it ought to make recommendations for modifications, board member Bob Miller told Brown. Brown promised his group would recommend changes to the panel.