

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE PRINCIPAL CLERK

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HOUSE DRH40371-MQ-79 (03/26)

Short Title: Cert. of Title/Manuf. Home Changes. (Public)

Sponsors: Representative Jordan.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY THE RENEWAL, RELEASE, AND CANCELLATION PROCESS  
3 FOR SECURITY INTERESTS ON A CERTIFICATE OF TITLE FOR A  
4 MANUFACTURED HOME, TO CLARIFY THE CALCULATION OF THE COST OF  
5 THE UNDERTAKING FOR THE INSTALLATION OF A MANUFACTURED HOME,  
6 AND TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY  
7 THE LAW AND PROCESS RELATED TO MANUFACTURED HOME TITLES AND  
8 SECURITY INTERESTS.

9 The General Assembly of North Carolina enacts:

10 SECTION 1. G.S. 20-4.01 reads as rewritten:

11 "§ 20-4.01. Definitions.

12 Unless the context requires otherwise, the following definitions apply throughout this  
13 Chapter to the defined words and phrases and their cognates:

14 ...

15 (14) House Trailer. – Any trailer or semitrailer designed and equipped to provide  
16 living or sleeping facilities and drawn by a motor vehicle. This term shall not  
17 include a manufactured home as defined in G.S. 20-4.01(18a).

18 ...

19 (18a) Manufactured Home. – Defined in G.S. 143-143.9(6).

20 ...

21 (32b) Recreational Vehicle. – A vehicular type unit primarily designed as  
22 temporary living quarters for recreational, camping, or travel use that either  
23 has its own motive power or is mounted on, or towed by, another vehicle.  
24 The basic entities are camping trailer, fifth-wheel travel trailer, motor home,  
25 travel trailer, and truck camper. This term shall not include a manufactured  
26 home as defined in G.S. 143-143.9(6).

27 a. Motor home. – As defined in G.S. 20-4.01(27)d2.

28 b. Travel trailer. – A vehicular unit mounted on wheels, designed to  
29 provide temporary living quarters for recreational, camping, or travel  
30 use, and of a size or weight that does not require a special highway  
31 movement permit when towed by a motorized vehicle.

32 c. Fifth-wheel trailer. – A vehicular unit mounted on wheels designed  
33 to provide temporary living quarters for recreational, camping, or  
34 travel use, of a size and weight that does not require a special  
35 highway movement permit and designed to be towed by a motorized



vehicle that contains a towing mechanism that is mounted above or forward of the tow vehicle's rear axle.

d. Camping trailer. – A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls that fold for towing by another vehicle and unfold at the campsite to provide temporary living quarters for recreational, camping, or travel use.

e. Truck camper. – A portable unit that is constructed to provide temporary living quarters for recreational, camping, or travel use, consisting of a roof, floor, and sides and is designed to be loaded onto and unloaded from the bed of a pickup truck.

...

(49) Vehicle. – Every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting devices moved by human power or used exclusively upon fixed rails or tracks; provided, that for the purposes of this Chapter bicycles shall be deemed vehicles and every rider of a bicycle upon a highway shall be subject to the provisions of this Chapter applicable to the driver of a vehicle except those which by their nature can have no application. This term shall not include a device which is designed for and intended to be used as a means of transportation for a person with a mobility impairment, or who uses the device for mobility enhancement, is suitable for use both inside and outside a building, including on sidewalks, and is limited by design to 15 miles per hour when the device is being operated by a person with a mobility impairment, or who uses the device for mobility enhancement. This term shall not include an electric personal assistive mobility device as defined in G.S. 20-4.01(7a). Unless the context requires otherwise, and except as provided under G.S. 20-109.2, 47-20.6, or 47-20.7, a manufactured home shall be deemed a vehicle.

...."

SECTION 2. G.S. 20-58 reads as rewritten:

**"§ 20-58. Perfection by indication of security interest on certificate of title.**

...

(c) On and after January 1, 2016, an application for the notation of a security interest pursuant to subsection (a) of this section on a certificate of title for a manufactured home shall state the maturity date of the secured obligation. The Division shall include the stated maturity date for the certificate of title, including the notation of the maturity date on the certificate of title, in its public records and in any reports regarding the certificate of title provided to third parties. For the purposes of this subsection, the maturity date of the security interest is defined in G.S. 45-36.24."

SECTION 3. Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

**"§ 20-58.3A. Automatic expiration of security interest in manufactured home; renewal of security interests in manufactured homes.**

(a) For the purposes of this section, the term "secured party" means the secured party named on a certificate of title for a manufactured home and those parties that succeed to the rights of the secured party as a secured creditor by assignment or otherwise. The term "borrower" means the borrower of the obligation secured by the security interest noted on the certificate of title for a manufactured home.

(b) With the exception of a security interest in a manufactured home perfected pursuant to G.S. 20-58(c), unless satisfied pursuant to G.S. 20-58.4 or G.S. 20-109.2, a security interest in a manufactured home that is perfected by a notation on the certificate of title shall

1 automatically expire 30 years after the date of the issuance of the original certificate of title  
2 containing the notation of the security interest.

3 (c) Unless satisfied pursuant to G.S. 20-58.4 or G.S. 20-109.2, a security interest in a  
4 manufactured home perfected by a notation on the certificate of title pursuant to G.S. 20-58(c)  
5 shall automatically expire as follows:

6 (1) If the perfection of the security interest has not been renewed as provided in  
7 this section, on the earlier of (i) 90 days after the maturity date stated on the  
8 application for the security interest or (ii) 15 years plus 180 days after the  
9 date of issuance of the original certificate of title containing the notation of  
10 the security interest.

11 (2) If the perfection of the security interest has been renewed as provided in this  
12 section, on the earlier of (i) 10 years after the date of the renewal of the  
13 perfection of the security interest, (ii) 90 days after the original maturity date  
14 of the security interest, or (iii) 90 days after any extended maturity date  
15 stated on the application of renewal.

16 (d) Prior to the date that perfection of a secured party's security interest in a  
17 manufactured home automatically expires pursuant to subsection (c) of this section, the secured  
18 party may deliver to the Division an application for renewal of the perfection of the secured  
19 party's security interest. The application for the renewal of the perfection of the secured party's  
20 security interest shall be in a form prescribed by the Division. Nothing in this section shall be  
21 construed to extend the maturity date of the secured obligation unless an agreement in writing  
22 has been executed by the borrower extending the original maturity date. The application for  
23 renewal of the perfection of the secured party's security interest shall contain all of the  
24 following:

25 (1) The secured party's signature.

26 (2) The existing certificate of title, unless it is in the possession of a prior  
27 secured party.

28 (3) An affirmative statement of any agreement executed by the borrower to  
29 extend the maturity date.

30 (4) If the application is submitted by the assignee or successor in interest of the  
31 secured party listed on the certificate of title, documentary evidence that the  
32 applicant is the assignee or successor in interest of the secured party listed  
33 on the certificate of title.

34 (5) The name and address of the party from whom information concerning the  
35 security interest may be obtained.

36 (6) Any other information requested by the Division.

37 (e) Upon receipt of the application for renewal of the perfection of the secured party's  
38 security interest, the Division shall do one of the following:

39 (1) If the existing certificate of title is included with the application for renewal,  
40 the Division shall issue a new certificate of title bearing (i) the date of the  
41 original security interest, (ii) a notation of the renewed perfection of the  
42 security interest, (iii) the maturity date of the security interest, and (iv) the  
43 date of renewal.

44 (2) If the existing certificate of title is in the possession of a prior secured party,  
45 the Division, if satisfied as to the genuineness and regularity of the  
46 application for renewal, shall obtain the certificate of title from the party in  
47 possession for the purpose of notating (i) the date of the original security  
48 interest, (ii) the renewal of the perfection of the security interest, (iii) the  
49 original or extended maturity date, and (iv) the date of renewal. Once the  
50 notations have been made, the Division shall return the certificate of title to  
51 the possession of the secured party.

1           (3) If the existing certificate of title cannot be obtained, the Division shall cancel  
2 the existing certificate of title and issue a new certificate of title. The new  
3 certificate of title shall list all known security interests and shall bear  
4 notation that shows (i) the date of the original security interest, (ii) the  
5 renewal of the perfection of the security interest, (iii) the original or  
6 extended maturity date, and (iv) the date of renewal.

7           (f) An application for the renewal of a secured party's security interest pursuant to this  
8 section shall be effective to renew the perfection of the security interest as of the date the  
9 application is delivered to the Division. Each renewed security interest shall retain its original  
10 date of perfection and shall thereafter expire on the earlier to occur of (i) 10 years after the date  
11 of renewal of the perfection of the security interest or (ii) the original or extended maturity  
12 date. Perfection of a security interest in a manufactured home may be renewed more than once  
13 pursuant to this section."

14           **SECTION 4.** G.S. 20-58.4 reads as rewritten:

15 **"§ 20-58.4. Release of security interest.**

16           ...

17           (e) If it is impossible for the owner to secure from the secured party the release  
18 contemplated by this section, the owner may exhibit to the Division either such evidence as  
19 may be available showing satisfaction or other discharge of the debt secured, together with a  
20 sworn affidavit by the owner that the debt has been satisfied, satisfied or a sworn affidavit by  
21 the owner that the debt has been satisfied and that either (i) after diligent inquiry the owner has  
22 been unable to determine the identity or the current location of the secured creditor or its  
23 successor in interest or (ii) the secured creditor has not responded within 30 days to a written  
24 request from the owner to release the secured creditor's security interest. ~~which the~~The Division  
25 may treat either of the above as a proper release for purposes of this section when satisfied as to  
26 the genuineness, truth and sufficiency thereof. Prior to cancellation of a security interest under  
27 the provisions of this subsection, at least 15 days' notice of the pendency thereof shall be given  
28 to the secured party at his last known address by the Division by registered letter. The Division  
29 shall not cancel a security interest pursuant to this subsection if, within 15 days after the  
30 Division gives notice, the secured party responds to the Division indicating that the security  
31 interest remains in effect.

32           (f) In addition to the methods described in this section for the release of a security  
33 interest noted on a certificate of title, the owner of a manufactured home or the owner of the  
34 real property on which the manufactured home is physically located may effect the satisfaction  
35 and release of a security interest in a manufactured home noted on the certificate of title as  
36 provided in G.S. 20-109.2."

37           **SECTION 5.** G.S. 44A-11.1 is amended by adding a new subsection to read:

38           "(a1) Where the improvements to a real property leasehold are limited to the purchase,  
39 transportation, and setup of a manufactured home, as defined in G.S. 143-143.9(6), for which  
40 there is a current certificate of title, the purchase price of the manufactured home shall be  
41 excluded in determining whether the costs of the undertaking are thirty thousand dollars  
42 (\$30,000) or more."

43           **SECTION 6.** G.S. 153A-357(e) reads as rewritten:

44           (e) No permit shall be issued pursuant to subdivision (1) of subsection (a) of this  
45 section where the cost of the work is thirty thousand dollars (\$30,000) or more, other than for  
46 improvements to an existing single-family residential dwelling unit as defined in  
47 G.S. 87-15.5(7) that the owner occupies as a residence, or for the addition of an accessory  
48 building or accessory structure as defined in the North Carolina Uniform Residential Building  
49 Code, the use of which is incidental to that residential dwelling unit, unless the name, physical  
50 and mailing address, telephone number, facsimile number, and electronic mail address of the  
51 lien agent designated by the owner pursuant to G.S. 44A-11.1(a) is conspicuously set forth in

1 the permit or in an attachment thereto. The building permit may contain the lien agent's  
2 electronic mail address. The lien agent information for each permit issued pursuant to this  
3 subsection shall be maintained by the inspection department in the same manner and in the  
4 same location in which it maintains its record of building permits issued. Where the  
5 improvements to a real property leasehold are limited to the purchase, transportation, and setup  
6 of a manufactured home, as defined in G.S. 143-143.9(6), for which there is a current  
7 certificate of title, the purchase price of the manufactured home shall be excluded in  
8 determining whether the costs of the undertaking are thirty thousand dollars (\$30,000) or  
9 more."

10 **SECTION 7.** G.S. 160A-417(d) reads as rewritten:

11 "(d) No permit shall be issued pursuant to subdivision (1) of subsection (a) of this  
12 section where the cost of the work is thirty thousand dollars (\$30,000) or more, other than for  
13 improvements to an existing single-family residential dwelling unit as defined in  
14 G.S. 87-15.5(7) that the owner occupies as a residence, or for the addition of an accessory  
15 building or accessory structure as defined in the North Carolina Uniform Residential Building  
16 Code, the use of which is incidental to that residential dwelling unit, unless the name, physical  
17 and mailing address, telephone number, facsimile number, and electronic mail address of the  
18 lien agent designated by the owner pursuant to G.S. 44A-11.1(a) is conspicuously set forth in  
19 the permit or in an attachment thereto. The building permit may contain the lien agent's  
20 electronic mail address. The lien agent information for each permit issued pursuant to this  
21 subsection shall be maintained by the inspection department in the same manner and in the  
22 same location in which it maintains its record of building permits issued. Where the  
23 improvements to a real property leasehold are limited to the purchase, transportation, and setup  
24 of a manufactured home, as defined in G.S. 143-143.9(6), for which there is a current  
25 certificate of title, the purchase price of the manufactured home shall be excluded in  
26 determining whether the costs of the undertaking are thirty thousand dollars (\$30,000) or  
27 more."

28 **SECTION 8.** The Legislative Research Commission may study the law and  
29 process related to manufactured housing title and security interests, including the involvement  
30 and possible elimination of the Division of Motor Vehicles from the registration and titling  
31 process for manufactured homes in this State.

32 **SECTION 9.** Section 8 is effective when this act becomes law. The remainder of  
33 this act becomes effective January 1, 2016.