



March 11, 2009

Mike Bartlett
Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, 5th Floor
Nashville, TN 37243

Subject: Proposed Rule for Chapter 0780-2-13 Modular Building Units

Dear Mr. Bartlett:

We were forwarded the proposed rule changes relative to the Tennessee Modular Building Unit program which were submitted at the rule hearing on February 25, 2009. Among other things, the proposed changes call for an increase in bonding for manufacturers from the current \$100,000 to \$500,000, and increasing plan review fees from \$100 to \$200 to help offset the costs of creating a new online filing system.

On behalf of the modular building manufacturers producing certified modular buildings for Tennessee who we represent, we would like to express our concern over the proposed surety bond amount increase to \$500,000 for modular building manufacturers. While we understand the need for a bond requirement and do not oppose such, we believe the proposed increase would require an amount that greatly exceeds the need and without sound justification for doing so. Furthermore, the proposed increase also far exceeds the requirements found in surrounding states. Given modular manufacturers are companies with permanent production locations, are well capitalized with fixed assets, and follow a rigorous state administered quality inspection and assurance process to ensure compliance with the modular building codes of the state of Tennessee, the proposed increase is unnecessary and places a significant undue burden on manufacturers that only impedes the industry from serving the home buying public. We therefore respectfully request that the proposed increase be disapproved.

Secondly, given the severe housing crisis, we also believe that the proposed \$100 increase (to \$200) in plan review fees should be postponed until the housing industry is well on its way to recovery. Simply put, now is not the time to add further costs home buyers must bear and we also respectfully request the disapproval of this proposal as well.

We hope that the department will give thorough consideration of our concerns which we will greatly appreciate.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey T. Inks", is written over a light gray, textured background.

Jeffrey T. Inks
Vice President, Regulatory Affairs
National Modular Housing Council