

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 871

Session of  
1977

INTRODUCED BY SCANLON, LEWIS, HAGER, SWEENEY AND NOLAN,  
MAY 23, 1977

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
JULY 6, 1977

AN ACT

1 Regulating the titling of, and the perfection of security  
2 interests in, mobile homes sold in the Commonwealth. <—  
3 ~~imposing powers and duties on the Department of Community~~  
4 ~~Affairs in connection therewith.~~

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2 The General Assembly of the Commonwealth of Pennsylvania  
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the "Mobile Home  
6 Titling Act."

7 Section 2. Findings and declarations of policy.

8 (a) To facilitate the proper financing of mobile homes in  
9 the Commonwealth of Pennsylvania and the perfecting of security  
10 interests in connection therewith, there is a need for a  
11 certificate of title OR OWNERSHIP. <—

12 (b) In the Commonwealth, certain housing units known as  
13 mobile homes traditionally have been considered vehicles and  
14 subject to various provisions contained in Pennsylvania's prior  
15 vehicle codes. One such provision was that requiring a  
16 certificate of title OR OWNERSHIP. <—

17 (c) A result of this requirement was that lenders could  
18 perfect a security interest in the mobile home by, among other  
19 things, noting an encumbrance on the certificate of title OR <—  
20 OWNERSHIP; records thereof were kept so that potential lenders,  
21 dealers and purchasers could determine whether or not there was  
22 an existing encumbrance on the mobile home.

23 (d) Pennsylvania's new Vehicle Code, Title 75 of the  
24 Pennsylvania Consolidated Statutes, provides that no certificate  
25 of title shall be issued for a mobile home. A very important  
26 result of this will be that there will be no means for  
27 perfecting a security interest in the mobile home by noting in  
28 the encumbrance on the certificate of title. Furthermore, no  
29 records will be kept of a certificate of title, no records of  
30 encumbrances thereon and, consequently, no means by which

1 lenders or dealers or purchasers are able to determine whether  
2 or not an encumbrance exists.

3 (e) Because of the pending absence of a certificate of title  
4 OR OWNERSHIP for mobile homes, financial lending institutions <—  
5 have indicated that they may not provide purchase money security  
6 for mobile homes, or otherwise not consider the mobile home as  
7 collateral for a loan. This materially and adversely will affect  
8 an important segment of the housing industry which is vital to  
9 Pennsylvania's economy.

10 (f) It is, therefore, in the best interest of manufacturers,  
11 dealers and purchasers of mobile homes, and of lenders of moneys  
12 to purchasers of mobile homes, that the Commonwealth establish  
13 or otherwise continue to maintain a system of recording  
14 information relative to a certificate of title OR OWNERSHIP for <—  
15 mobile homes so that security interests may be perfected by  
16 notation thereon.

### 17 Section 3. Definitions.

18 The following words and phrases when used in this act shall  
19 have, unless the context clearly indicates otherwise, the  
20 meanings given to them in this section:

21 "Certificate of title OR OWNERSHIP." The instrument issued <—  
22 pursuant to this act that evidences the legal ownership of a  
23 mobile home, with any other information the department requires  
24 to identify the mobile home, including the amount, description  
25 and holder of any security interest in the mobile home.

26 "Dealer." A person who is defined as a mobile home dealer in  
27 the act of September 9, 1965 (P.L.499, No.254), known as the  
28 "Motor Vehicle Manufacturer's, Dealer's and Salesmen's License  
29 Act."

30 "Department." The Department of ~~Community Affairs.~~ <—

1 TRANSPORTATION. <—

2 "Manufacturer." Any person engaged in the business of  
3 manufacturing mobile homes for sale in the Commonwealth.

4 "Mobile home." A transportable structure which is built on a  
5 permanent chassis and designed to be used as a dwelling for  
6 permanent occupancy, office or place of assembly, with or  
7 without permanent foundation, when connected to the required  
8 utilities, and includes the plumbing, heating, air conditioning,  
9 and electrical systems contained therein.

10 "Person." A person, partnership, company, corporation, or  
11 association.

12 "Secretary." The Secretary of the Department of ~~Community~~ <—  
13 ~~Affairs~~. TRANSPORTATION. <—

14 "Security interest." An interest in a mobile home reserved  
15 or created by agreement which secures payment or performance of  
16 an obligation. The term includes the interest of a lessor under  
17 a lease intended as security.

18 Section 4. Certificate of title OR OWNERSHIP required; <—  
19 perfection of security interest.

20 ~~(a)~~ Every owner of a mobile home which is in this <—  
21 Commonwealth and for which no certificate of title OR OWNERSHIP <—  
22 has been issued by the department or any public or private  
23 agency shall make application to the department for a  
24 certificate of title OR OWNERSHIP. No mobile home may be sold or <—  
25 otherwise have the ownership thereof transferred without the  
26 proper transfer of the certificate of title.

27 ~~(b) Unless perfected as provided in this act, and the rules~~ <—  
28 ~~and regulations adopted in connection therewith, a security~~  
29 ~~interest in a mobile home for which a certificate of title is~~  
30 ~~required by this act is not valid against any person as to whose~~

~~rights an unperfected security interest is subordinate under the provisions of the act of April 6, 1953 (P.L.3, No.1), known as the "Uniform Commercial Code." A security interest is perfected by notation thereon by the department on the certificate of title for the mobile home, pursuant to rules and regulations adopted by the department. A security interest noted on the certificate of title is effective for a period of 15 years from the time of perfection as provided for in this act.~~

Section 5. Application for and issuance of certificate of title OR OWNERSHIP. <—

(a) The application for issuance of a certificate of title OR OWNERSHIP for a mobile home shall be made upon a form prescribed and furnished by the department, and shall be accompanied by the fee prescribed by the department. The application shall contain a full description of the mobile home, the actual or bona fide name and address of the owner, together with a statement of the applicant's title OR OWNERSHIP, of any liens or encumbrances upon the mobile home, and whether possession is held subject to a chattel mortgage or under a lease, contract, or conditional sale, or other like agreement. <—

(b) The issuance of certificate of title OR OWNERSHIP shall contain such description and other evidence of identification of the mobile home for which it is issued as the secretary may deem necessary, including a statement of any liens or encumbrances which the applicant may show to be thereon, together with the names and addresses of the holder or holders of any such liens or encumbrances. It shall be lawful for the secretary to issue, in the name of the owner of a new or used mobile home, a certificate of title OR OWNERSHIP, if such owner presents to the secretary an application for such certificate duly made and <—

1 acknowledged by the manufacturer or dealer, and assigned to such  
2 owner, and accompanied by the fees prescribed by the department.  
3 Section 6. Fees.

4 The department shall establish a schedule of fees reasonably  
5 related to the cost incurred by the department in the  
6 administration and enforcement of this act, such fees to be  
7 adopted and promulgated as rules or regulations pursuant to  
8 section 8, BUT NOT TO EXCEED \$15. <—

9 Section 7. Administration of act.

10 The department is hereby charged with the administration of  
11 this act. It shall have the power to adopt regulations referred  
12 to in section 8, including regulations of procedures for  
13 carrying into effect any provision of this act, and to prescribe  
14 means, methods, and practices to make effective such provisions.  
15 The department is hereby authorized to enter into  
16 interdepartmental agreements for the purposes of administration  
17 of this act.

18 Section 8. Adoption and promulgation of rules and regulations.

19 ~~(a) The department shall adopt rules and regulations as are~~ <—  
20 ~~necessary to carry out the provisions of this act. including~~ <—  
21 ~~rules and regulations to be adopted within four months of the~~  
22 ~~effective date of this act which set forth the manner in which~~  
23 ~~the certificate of title required by this act is to be obtained~~  
24 ~~and the security interest to be perfected.~~

25 ~~(b) The department shall hold public hearings on the rules~~  
26 ~~and regulations proposed to be adopted. The hearings and all~~  
27 ~~hearings required under this act shall be consistent with the~~  
28 ~~provisions of the act of June 4, 1945 (P.L.1388, No.442), known~~  
29 ~~as the "Administrative Agency Law," and the act of July 31, 1968~~  
30 ~~(P.L.769, No.240), known as the "Commonwealth Documents Law."~~

1 Section 9. Penalties.

2 Any person violating any of the provisions of this act shall  
3 be guilty of a summary offense.

4 Section 10. Cancellation of certificate of title OR OWNERSHIP. <—

5 The rules and regulations adopted and promulgated pursuant to  
6 section 8 shall contain a provision that the department may  
7 cancel a certificate of title OR OWNERSHIP for a mobile home <—  
8 which is affixed to real property upon the filing of forms  
9 prescribed and furnished by the department. When so cancelled,  
10 interest in the ownership of the mobile home, together with all  
11 liens and encumbrances thereon, shall be transferred to and  
12 shall encumber the real property to which the mobile home has  
13 become affixed.

14 Section 11. Transition period.

15 ~~(a)~~ Notwithstanding the provisions of Chapter 11 (relating <—  
16 to certificate of title and security interests) of Title 75 of  
17 the Pennsylvania Consolidated Statutes, which removes the  
18 requirement for obtaining a certificate of title OR OWNERSHIP <—  
19 and the perfection of security interest in mobile homes,  
20 provisions in prior laws requiring a certificate to title OR <—  
21 OWNERSHIP for a mobile home, and provisions relating to the  
22 perfection of a security interest in connection therewith, shall  
23 remain in force and effect. ~~until a transfer is made pursuant to~~ <—  
24 ~~subsection (b) and until the department adopts appropriate~~  
25 ~~regulations.~~

26 ~~(b) All personnel, appropriations, agreements, leases,~~  
27 ~~claims, causes of action, equipment, files, records, and all~~  
28 ~~other materials which are used, employed or expended by the~~  
29 ~~Department of Transportation in connection with the existing~~  
30 ~~requirement of certificates of title for mobile homes and the~~

1 ~~perfection of security interest thereon, which reasonably can be~~  
2 ~~transferred, are hereby transferred to the Department of~~  
3 ~~Community Affairs with the same force and effect as if reposing~~  
4 ~~in the Department of Community Affairs in the first instance.~~

5 Section 12. Effective date.

6 This act shall take effect ~~in 60 days.~~ JULY 1, 1977.

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