

§ 7022 Manufactured home transfer; rented lot transfer.

(a) This section governs the sale, conveyance, or transfer of title of a manufactured home which the buyer or transferee intends to retain in the manufactured home community. This section further extends to the landlord the right to purchase any manufactured home in the community for 1% higher than the contract price at which the tenant has agreed to sell the home to a third party.

(b) A rental agreement for a lot in a manufactured home community is not transferable from the tenant who owns the manufactured home on the lot to the buyer or transferee to whom the tenant intends to sell or transfer title to the home, unless the home qualifies for retention in the manufactured home community according to written standards promulgated pursuant to § 7020 of this title, and unless the landlord accepts the buyer or transferee as a tenant. Acceptance or rejection of a buyer or transferee under this subsection must be on the same basis by which the landlord accepts or rejects any prospective tenant. A landlord who rejects a prospective tenant must give the rejected prospective tenant a written statement that explains the cause for the rejection.

(c) A tenant who owns a manufactured home in a manufactured home community, and plans to sell, convey, or transfer title to the home to a buyer or transferee who intends to retain the home in the manufactured home community, must notify the landlord in writing 3 weeks prior to the scheduled sale, conveyance, or transfer of title of the manufactured home and the transfer of the lot rental agreement, giving the name and address of the prospective buyer or transferee, along with a written statement or a proposed bill of sale clearly indicating the agreed sale price and terms. Failure on the part of a tenant to so notify the landlord is grounds for termination by the landlord of the tenant and landlord's rental agreement.

(1) The landlord has the right to purchase the home at a price of 1% higher than the contract price and under the same terms at which the tenant has agreed to sell the home to a third party.

(2) If the landlord wishes to purchase the home at 1% higher than the contract price and under the same terms at which the tenant has agreed to sell the home to a third party, the tenant must sell the home to the landlord.

(3) Upon receipt of the name and address of the prospective buyer or transferee and the agreed sale price and terms, the landlord shall notify the tenant in writing within 5 business days that the landlord is exercising the right to purchase the home. If the landlord does not notify the tenant in writing pursuant to § 7024 of this title within 5 business days that the landlord is exercising the right to purchase the home, the right of the landlord to purchase the home expires.

(4) The landlord's notice must be sent to the tenant pursuant to § 7024 of this title. The notice must clearly state that the price and terms are acceptable, and must set a settlement date within 14 days.

(5) The right of the landlord to purchase a tenant's home does not extend to the following circumstances:

- a. A bank, mortgage company, or any other mortgagee has foreclosed on the home;
- b. The sale, transfer, or conveyance of the home is to a family member of the home owner or to a trust, the beneficiaries of which are family members of the home owner

on the modified Table of Consanguinity; or the sale, transfer, or conveyance is to a family member of the home owner on the modified Table of Consanguinity who is included within the line of intestate succession if the home owner dies intestate;

c. The sale, transfer, or conveyance of the home is between joint tenants or tenants-in-common;

d. The transfer or conveyance is by gift, devise, or operation of law.

(6) A landlord may not engage in any act or activity with the intention of placing undue influence or undue pressure on a tenant to sell the tenant's home to the landlord.

a. A tenant may file an action in a court of competent jurisdiction for actual damages sustained when the tenant reasonably believes that the landlord wilfully:

1. Exerted undue influence or undue pressure on the tenant to sell the tenant's home to the landlord; or

2. Exerted undue influence or undue pressure on a former tenant which resulted in the sale of the former tenant's home to the landlord; or

3. Did not evaluate the home in a reasonable and fair manner when applying written standards for resale or transfer of the manufactured home in the community, pursuant to § 7020(c) of this title.

b. It is an affirmative defense to a claim that a landlord engaged in an act or activity with the intention of placing undue influence or undue pressure on a tenant or former tenant by initiating a rent increase, if the landlord provides proof that the increased rent is within the range of market lot rents.

c. If a court of competent jurisdiction finds that a landlord has wilfully engaged in any of the acts enumerated in paragraph (c)(6)a. of this section, the landlord is liable to the tenant or former tenant for 3 times the actual damages sustained as a result of the landlord's acts and reasonable court costs.

d. If a court of competent jurisdiction finds that a landlord has wilfully engaged in an act or activity with the intention of placing undue influence or undue pressure on a current or former tenant in order to purchase the current or former tenant's home, the landlord may not exercise that landlord's own right to buy any tenant's home for 365 days. Each offense is subject to a 365-day penalty.

(d) If a landlord accepts a prospective tenant, the transfer of an existing rental agreement must be completed using one of the following 2 methods. The selection of the method is at the exclusive discretion of the tenant/seller of the manufactured home, and the buyer is bound by that selection.

(1) The tenant/seller agrees to an assignment of the lease to the buyer, with all of the existing obligations and benefits, including but not limited to the rental amount under the existing rental agreement, for the remaining term of the agreement.

If this option is elected, the existing rental agreement between the tenant/seller and the landlord is simultaneously assigned by the tenant-seller and assumed by the buyer and the buyer becomes the new tenant. Upon the sale, assignment, and assumption, the landlord will amend the existing rental agreement and list the buyer as the new tenant.

(2) The tenant-seller chooses to terminate the existing rental agreement. The buyer may then negotiate the terms of and enter into a new rental agreement for a full term at

a rental amount set by the landlord. If this option is elected, the existing rental agreement is terminated upon the execution of the new rental agreement.

(e) Notwithstanding the provisions of this section and of § 7020 of this title, written standards which were in effect on January 1, 2003, relating to the sale or transfer of title of a manufactured home for retention in a manufactured home community will apply for a sale or transfer of title during 2003. For a sale or transfer on January 1, 2004, and thereafter, standards promulgated pursuant to § 7020 of this title apply. In addition, a buyer or transferee who becomes a tenant in a manufactured home community has 3 years from the date of the resale or transfer to complete changes to the buyer or transferee's manufactured home required under the written standards of the manufactured home community. However, if the changes are necessary to protect life or for other safety reasons, the landlord may require that changes be made in less than 3 years. Further, if a seller-tenant does not make necessary changes to meet the standards prior to sale, the buyer or transferee shall deposit 120% of the estimated cost of the changes necessary to meet the standards into an account jointly controlled by the landlord and the buyer or transferee. Once work begins on the manufactured home, the necessary changes must be completed within a reasonable time.

(f) A buyer or transferee who does not complete required changes pursuant to subsection (e) of this section is subject to a summary possession proceeding pursuant to Chapter 57 of this title.

25 Del. C. 1953, § 7009; 58 Del. Laws, c. 286; 58 Del. Laws, c. 472, § 4; 65 Del. Laws, c. 446, § 1; 70 Del. Laws, c. 186, § 1; 74 Del. Laws, c. 35, § 2; 76 Del. Laws, c. 336, §§ 3, 4.;