



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

6/25/2026

**26-08-AC
NEW**

Mr. Darin Hendricks
Director of Quality Assurance
CMH Manufacturing, Inc.
5000 Clayton Road
Maryville, TN 37804

Dear Mr. Hendricks:

Thank you for your letter of April 28, 2026, and supporting technical information submitted on May 27, 2026, along with the support letter from your Design Approval Primary Inspection Agency (DAPIA), ICC-NTA, Inc., dated May 7, 2026. CMH Manufacturing, Inc., a subsidiary of Clayton Homebuilding Group, (Clayton), requests that the U.S. Department of Housing and Urban Development (HUD) issue an Alternative Construction (AC) letter allowing exceptions to compliance for certain requirements under the Federal Manufactured Home Construction and Safety Standards (24 Code of Federal Regulations (CFR) Part 3280, or the "Standards"). These exceptions apply to the design and construction of multi-story manufactured homes with upper-story transportable section(s) that do not include a permanent chassis. HUD approves this request subject to the following conditions.

In accordance with 24 CFR 3282.14(b)(3) of the Manufactured Home Procedural and Enforcement Regulations, HUD grants Clayton alternative construction permission to design and construct multi-story manufactured homes with upper-story sections that do not have a permanent chassis. HUD finds that the alternative construction approach, as reflected in the letter and designs submitted by Clayton, will meet or exceed the performance required by the Standards. In accordance with 24 CFR §3282.14(a)(3) and (c), HUD permits the approval of designs and subsequent construction of multi-story manufactured homes that do not have a permanent chassis on the upper-story section(s), provided that the design and construction comply with the additional provisions set forth in this AC letter and all other remaining Standards.

The purpose of this AC letter is to allow for the development of new techniques and designs consistent with the objectives of the National Manufactured Housing and Construction Safety Standards Act of 1974 (the Act), as amended by the Manufactured Housing Improvement Act of 2000. The scope of this AC letter is limited to the design, construction, and transport of chassis-free upper-story sections of multi-story manufactured homes. All ground floor sections must be built and remain on permanent chassis. Clayton is reminded to closely follow the requirements in 24 CFR § 3280 for multi-story design and construction that became effective on September 15, 2025.

Please note that manufactured homes built under this AC letter may require additional AC letters issued by HUD or On-Site Completion of Construction (SC) approvals issued by Clayton's DAPIA. Therefore, Clayton is responsible to comply with all terms and conditions set forth in each applicable AC and SC letter.

Any structure manufactured to a design approved pursuant to this AC letter will not comply with the "Manufactured Home" definition in 24 CFR §3280.2. The homes built under this AC letter will be built on a ground floor permanent chassis but upper-story transportable sections will not require a permanent chassis. HUD will not take enforcement action against Clayton for violation of the Standards listed herein if it complies with the requirements and conditions listed below:

1. HUD determines that the AC concept, approved by this letter, is not model specific but is limited to model plans and designs that have been DAPIA-approved. Further, any DAPIA-approved model must also comply with all terms and conditions contained within this AC letter. Each model design, and all related designs and instructions for homes constructed under this AC letter, must include the notation "REQUIRES AC APPROVAL LETTER." The design must also be approved by the DAPIA.
2. All model designs, installation drawings, and procedures necessary to construct and complete these homes must be approved by your DAPIA and address all construction options and respective requirements before the homes are manufactured. Your DAPIA must notify HUD and the applicable State Administrative Agency (SAA) of the states where the homes will be shipped.
3. Subject to HUD's ongoing review of Clayton's continued compliance with the terms and conditions of this AC letter and subject to each home's continued performance, Clayton is permitted to build a maximum of **100 homes per facility** under this AC letter, and the homes must be factory-produced **within two (2) years from the date of this letter**. Production of homes under this AC letter is permitted at the following manufacturing facilities:

CMH Manufacturing, Inc. #925
dba/ Clayton Rutledge
395 Hwy 11W South
Rutledge, TN 37861

CMH Manufacturing, Inc. #927
dba/ Clayton Bean Station
1160 Highway 11W
Bean Station, TN 37708

CMH Manufacturing Inc. #932
dba/ Clayton Waco 2
7001 Imperial Drive
Waco, TX 76712

CMH Manufacturing West, Inc. #951
dba/ Clayton Buckeye
231 N. Apache Road
Buckeye, AZ 85326-0908

CMH Manufacturing Inc. #954
dba/ Clayton Redwood Falls
201 Industrial Drive
Redwood Falls, MN 56283-0399

CMH Manufacturing West Inc. #955
dba/ Clayton Hermiston
400 West Elm
Hermiston, OR 97838-0910

CMH Manufacturing Inc. #956
 dba/ Clayton Lewistown
 30 Industrial Park
 Lewistown, PA 17044-0947

CMH Manufacturing Inc. #958
 dba/ Clayton Richfield
 301 E. Church Street
 Richfield, NC 28137

CMH Manufacturing West, Inc. #971
 DBA: Clayton Perris
 3100 North Perris Blvd
 Perris, CA 92571
 Cavalier Home Builders, Inc. #973
 dba/ Buccaneer Homes
 2039 Bexar Avenue East
 Hamilton, AL 35570

CMH Manufacturing West, Inc. #972
 DBA: Clayton Albany
 2445 Pacific Blvd, SW
 Albany, OR 97321
 Cavalier Home Builders, Inc. #974
 dba/ Clayton Alabama
 17645 County Road 41
 Addison, AL 33540

CMH Manufacturing West, Inc. #981
 dba/ Clayton Middlebury
 437 N. Main Street
 Middlebury, IN 46540
 CMH Manufacturing, Inc. #993
 dba/ Clayton Albuquerque
 2700 Karsten Court SE
 Albuquerque, NM 87102

CMH Manufacturing West, Inc. #991
 dba/ Clayton Sacramento
 9998 Old Placerville Road
 Sacramento, CA 95827

4. For upper-story sections built without a permanent chassis, Clayton must securely attach a metal plate stamped with the serial number to the inside face of the foremost floor joist using screws. All letters and numbers must be a minimum of 3/8 inch in height to comply with 24 CFR § 3280.6.
5. Clayton must ensure that each story is securely fastened to the story above and/or below to provide structural continuity and resist design loads, except that upper floors need not be fastened to a chassis when no chassis is present (24 CFR §§ 3280.305(a) and (e)).
6. Each multi-story structure must be limited to a single manufactured home consisting of one to four dwelling units.
7. This AC letter is contingent upon successful transportation and brake testing of home sections that do not have a permanent chassis (24 CFR Subpart J). Testing report(s) must be included and maintained in DAPIA-approved designs.
8. Retailers approved by Clayton's DAPIA are eligible to sell manufactured homes constructed under this AC letter. Clayton must notify all retailers selling homes built under this AC letter that the homes were constructed pursuant to this alternative construction.
9. Clayton must also notify HUD, the Production Inspection Primary Inspection Agency (IPIA), and the applicable State Administrative Agencies (SAAs) of each state where

manufactured homes built under this AC letter will be located or offered for sale if the home site is unknown. For states without an established SAA, HUD serves as the administrative agency.

10. Clayton must complete and ensure that each prospective purchaser receives a copy of the enclosed "Notice to Purchaser" (Exhibit "A") before entering into any sales agreement. Clayton must also place the "Notice to Purchaser" in clear view, in the kitchen area, where it must remain until the sale of the manufactured home is completed.
11. Clayton's quality control (QC) personnel must complete a Quality Control Checklist (Exhibit "B") before any manufactured homes built under this AC letter are shipped from the plant. Clayton's QC personnel must maintain the checklist with all other applicable QC forms.
12. A licensed contractor or similarly qualified professional selected by Clayton must complete all construction necessary to complete each home at its site. Clayton will train personnel and supervise the installation of each home to ensure all site work, chassis removal (when applicable), and lifting activities meet requirements. Clayton must ensure that DAPIA-approved plans are provided and closely followed to complete all site work necessary to set and construct a multi-story home at an installation site.
13. Prior to any installation work, Clayton must provide a DAPIA-approved installation design that may include lift plans.
14. Each manufactured home must be delivered with the necessary construction and installation instructions for completing the manufactured home at the installation site, including the joining and completion of all components of the manufactured home. The DAPIA must approve all the designs and installation instructions to represent and ensure compliance with applicable Standards. The construction and the installation aspects that are not covered by the Standards must be approved by the local authority having jurisdiction (LAHJ).
15. Clayton must provide all materials necessary for the completion of the manufactured home, including materials and components for first floor to second floor interconnection; completion of the mechanical, plumbing, and electrical systems; exterior siding; insulation; sheathing; fastening; and all other materials required to produce a manufactured home that complies with the Standards.
16. Prior to shipment, Clayton must cover the first-story rafter assembly with a DAPIA-approved weather and moisture-resistant covering for temporary weather protection during transportation and temporary storage.
17. Clayton must ship all manufactured home sections directly to the manufactured home site to eliminate any possible condensation or moisture infiltration. The manufactured homes must also be completed and installed on the final site within 60 days of construction at the manufacturing plant.

18. The interconnection and completion of all systems (plumbing, mechanical, electrical) must be completed in accordance with the DAPIA-approved designs and be re-tested in accordance with applicable requirements of the Standards.
19. Clayton's IPIA, or a qualified and experienced independent inspector acceptable to the IPIA, including a local building code inspector or installation inspector, must inspect and verify all site construction work covered by the Standards, as identified in Exhibit "C," titled "Alternative Construction Inspection Report." A qualified inspector must be independent of the manufacturing and assembling process and not a representative or employee of the manufacturer. This inspector must verify that the manufactured home has been completed in accordance with the DAPIA-approved designs, that installation of the upper story has not resulted in noncompliance with the Standards, and that the home has not been altered except for aesthetic modifications.
20. Clayton is responsible for the coordination necessary to complete inspections **prior to occupancy**, and for reviewing the inspection reports and filing the inspection reports at the manufacturing plant. In addition, Clayton must provide copies of the inspection reports to the IPIA, the SAA, the homeowner, and the retailer. Clayton must also maintain a copy of these reports in its corporate office files. All such files are subject to inspection by HUD or the applicable SAA.
21. Clayton must ensure that all construction necessary to conform to the Standards, and not otherwise identified in this AC letter, is completed in the production plant prior to shipment of the manufactured home.
22. Clayton must provide HUD with Cumulative Production Status Reports (Exhibit "D") on an annual basis. The production status reports must be cumulative for each year and include all the information identified in Exhibit "D." Clayton must submit these reports electronically to HUD annually and prior to requesting a renewal or revision of this AC. Reports must be submitted to:


MHSreporting@hud.gov

HUD is forwarding a copy of this letter to your DAPIA and IPIA and the appropriate SAAs. This letter authorizes the DAPIA to approve plans that reference this AC letter and authorizes the IPIAs to permit the use of this AC letter provided that all conditions set forth are met. HUD will also forward a copy of the letter to the SAAs in the state of manufacture and the state(s) in which the manufactured homes are to be located, if known.

HUD's decision does not affect any rights that manufactured home purchasers may have under the Act. This decision is limited solely to the subject request and only applies Clayton's manufacturing operations listed in this letter.

Please reference HUD File No. 26-08-AC in any correspondence about this specific AC approval letter. If you have any questions concerning this matter, please contact Mr. Leo S. Huott at (202) 402-4538.

Sincerely,

DocuSigned by:

B9E579F4483E474...

Mary Jo Houton
Administrator
Office of Manufactured Housing Programs

Enclosures

cc: IBTS; DAPIA/IPIA NTA; SAA Alabama; SAA Arizona; SAA Arkansas; SAA California; SAA Colorado; SAA/IPIA Florida; SAA/IPIA Georgia; SAA Idaho; SAA Louisiana; SAA Maine; SAA Minnesota SAA Mississippi; SAA Missouri; SAA Nebraska; SAA Nevada; SAA New Mexico; SAA New York; SAA North Carolina; SAA Oregon; SAA Pennsylvania; SAA Rhode Island; SAA South Carolina; SAA South Dakota; SAA/IPIA Tennessee; SAA Texas; SAA Utah; SAA Virginia; SAA Washington; SAA West Virginia; SAA Wisconsin

EXHIBIT A
26-08-AC CLAYTON HOME BUILDING GROUP
MULTI-STORY MANUFACTURED HOME W/O PERMANENT CHASSIS ON UPPER-
STORY SECTIONS

NOTICE TO PURCHASER

The U.S. Department of Housing and Urban Development (HUD) has issued the above-mentioned Alternative Construction (AC) letter to Clayton Home Building Group, (Clayton) concerning this manufactured home, which was produced in a Clayton plant and is designed to be finished on-site by a licensed contractor or a similarly qualified individual.

As constructed in the manufactured home building plant, this manufactured home does not meet certain aspects of the Federal Manufactured Home Construction and Safety Standards (Standards). Specifically, the upper floors of the multi-story manufactured home were not built on permanent chassis.

NOTICE
THIS MANUFACTURED HOME HAS BEEN SHIPPED WITH -CERTAIN ITEMS PARTIALLY ASSEMBLED. THESE ITEMS MUST BE COMPLETED IN ACCORDANCE WITH THE DAPIA-APPROVED MANUFACTURER’S INSTRUCTIONS AND **MUST BE INSPECTED PRIOR TO OCCUPANCY.**

A licensed contractor or a similarly qualified individual must perform all site work for the multi-story assembly. In addition, all site work, except for aspects of construction under the local authority having jurisdiction (LAHJ), must be inspected by Clayton’s Production Inspection Primary Inspection Agency (IPIA) or an experienced and qualified independent inspector acceptable to Clayton’s IPIA. Clayton must provide you with a copy of the site inspection report.

HUD evaluated this AC concept and concluded that it provides levels of quality, durability, and safety that are equivalent to those required by the federal Standards. To comply with the approval letter issued to Clayton, the letters “AC” must appear in your manufactured home’s serial number.

For additional information about the specific federal Standards involved, a copy of the AC letter issued to Clayton pursuant to 24 CFR § 3282.14(c) is available on request from your retailer or Clayton.

Serial Number: _____

Retailer Representative: _____

Date: _____

Manufactured Home Purchaser: _____

Date: _____

Copy to home purchaser. A copy of this notice shall be provided to the occupant of the home and shall be temporarily affixed in a prominent location in the kitchen area of the home.

EXHIBIT B
26-08-AC CLAYTON HOME BUILDING GROUP
MULTI-STORY MANUFACTURED HOME W/O PERMANENT CHASSIS ON UPPER-STORY SECTIONS

QUALITY CONTROL CHECKLIST (1 of 1)

Serial Number: _____ Model Number: _____

Clayton's Quality Control personnel will complete the following checklist for units built under this Alternative Construction (AC) letter before a manufactured home is shipped to the site.

YES	NO	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	1. The letters "AC" are included in the manufactured home's serial number and in all locations the serial number occurs, including on the front cross member or foremost floor joist in accordance with the DAPIA-approved serial numbering system and on all required paperwork.
<input type="checkbox"/>	<input type="checkbox"/>	2. The applicable DAPIA-approved instructions for the installation of the manufactured home at the site and the joining and completing of all parts of the manufactured home are provided with the manufactured home.
<input type="checkbox"/>	<input type="checkbox"/>	3. The applicable DAPIA-approved designs, testing procedures and instructions required to complete all site work that is specific to this manufactured home are provided with the manufactured home.
<input type="checkbox"/>	<input type="checkbox"/>	4. A Notice to Purchaser (Exhibit "A") that identifies the specific type of construction used has been included in the set-up manual documents and is placed in the kitchen area of the home.
<input type="checkbox"/>	<input type="checkbox"/>	5. An "Alternative Construction Inspection Report" that identifies the type of construction used has been provided with the set-up manual documents that are shipped with the manufactured home.
<input type="checkbox"/>	<input type="checkbox"/>	6. A completed copy of this QC checklist has been placed in this manufactured home's file as part of the permanent QC records and shipped with the manufactured home.
		7. Unfinished roof portions are covered and sealed with 5-mil (min) plastic or other DAPIA-approved material.

Checked by: _____

Date: _____

Signature: _____

Date: _____

Copy to plant's manufactured home file(s)

EXHIBIT C
26-08-AC CLAYTON HOME BUILDING GROUP
MULTI-STORY MANUFACTURED HOME W/O PERMANENT CHASSIS ON UPPER-STORY SECTIONS

ALTERNATIVE CONSTRUCTION INSPECTION REPORT (1 of 1)

Manufactured Home Information

Date of Production: _____
 Serial Number: _____
 Model Number: _____

Owner Information

Name: _____
 Street Address: _____
 City, State, Zip: _____

The final construction was inspected by the undersigned representative of Clayton’s Production Inspection Primary Inspection Agency (IPIA) or by a qualified independent inspector acceptable to Clayton’s IPIA. The purpose of this inspection and report is to ensure the manufactured home is completed in compliance with Clayton’s DAPIA-approved designs and other responsibilities pursuant to the approved AC letter. The “YES” and “NO” check boxes indicate whether the home is in compliance with the requirements of the AC letter.

YES	NO	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	1. The site inspection was conducted prior to occupancy.
<input type="checkbox"/>	<input type="checkbox"/>	2. The serial numbers on the data plate and frame/floor have “AC” as a prefix.
<input type="checkbox"/>	<input type="checkbox"/>	3. All site work was completed in accordance with DAPIA-approved designs and instructions by a licensed contractor or similarly qualified professional.

Deviations:

Corrective Actions:

I have verified the completion of construction covered by the standards and this inspection checklist in accordance with Clayton’s designs and installation instructions for this manufactured home and find the above-stated site work to be in compliance with the AC letter requirements pursuant to 24 CFR §3282.14(c) of the Federal Manufactured Home Procedural and Enforcement Regulations. Clayton is responsible to ensure completion of inspections by others and for distribution of this completed inspection report to all parties indicated below, immediately upon receipt of the completed report:

Inspector’s Signature and Information:

Name of Inspector: _____ Date: _____
 Signature of Inspector: _____ Company / Affiliation: _____

*COPY TO MANUFACTURED HOME FILE, OWNER, RETAILER, IPIA, DAPIA, SAA

