

(717)787-1471

July 9, 1997

Dear _____ :

This is in response to your letter to the Department of Banking (the "Department"). Therein, on behalf of your client who remains unnamed, you request information regarding the Motor Vehicle Sales Finance Act, 69 P.S. § 601 et seq., ("MVSFA").

Specifically, you inquire (i) whether mobile homes which are not self-propelled constitute motor vehicles for the purposes of the MVSFA; and (ii) whether an individual who sells mobile homes on an installment basis is an installment seller required to be licensed under the MVSFA. According to your letter and our telephone conversation, your client purchases two or three used mobile homes each year and then sells the mobile homes via an installment sale contract to individual buyers. Additionally, your client retains legal title to the mobile home until the installment contract for the mobile home is paid in full.

Definition of "mobile homes" pursuant to the MVSFA: Section 3.21 of the MVSFA defines "mobile homes" as "those vehicles defined as such in section 102 of Title 75. . .[of the] Pennsylvania Consolidated Statutes." 69 P.S. § 603.21. "Mobile home" is defined in the Vehicle Code as:

[a] trailer designed and used exclusively for living quarters or commercial purposes which exceeds the maximum size limitations prescribed by this title for operation on a highway and is only incidentally operated on a highway.

75 Pa.C.S. § 102. This definition in the Vehicle Code is the same definition of "mobile home" to which the MVSFA is applicable. Furthermore, the MVSFA governs the financing of retail purchases of "motor vehicles" broadly defined in section 3 of the MVSFA as:

any self-propelled device . . . by which any person or property is or may be transported or drawn upon a public highway . . . but which may incidentally transfer persons or property on a public highway. . .

69 P.S. § 603.1. Therefore, the broad definition of “motor vehicle” appears to include the more narrowly defined term “mobile home”, especially because both the definition of “motor vehicle” in the MVSFA, and of “mobile home” in the Vehicle Code, encompass the “incidental” operation or transport of a motor vehicle, including a mobile home, on a public highway.

MVSFA governs installment sales of mobile homes: The MVSFA defines an “installment sale contract” in relevant part as “any contract for the retail sale of a motor vehicle, or which has a similar purpose or effect under which part or all of the price is payable in two or more scheduled payments . . .” 69 P.S. § 603.10. Accordingly, an installment sale contract for the retail sale of the mobile home is one in which part or all of the price of the mobile home is payable in two or more scheduled payments.

An “installment seller” is defined in part by the MVSFA as “a person engaged in the business of selling, hiring or leasing motor vehicles under installment sale contracts”. 69 P.S. § 603.4. Therefore, your client’s activities meet the definition of an installment seller of mobile homes under the MVSFA. Consequently, your client is required to be licensed by the Department.¹ See 69 P.S. § 604. For your convenience, I have enclosed an application for licensure for an installment seller.

The Department's analysis is based upon the facts and conditions as stated in this letter. Any change in the facts could result in a reversal of the Department's position. This letter states the Department's position regarding the issues discussed herein and may not be relied upon or construed as constituting legal advice.

If you have any additional questions regarding this matter, do not hesitate to contact me.

Very truly yours,

Christine Mullen
Staff Counsel

¹ Installment sales of mobile homes in which interest in excess of that permitted by the Loan Interest and Protection Law, 41 P.S. §101 et seq., is charged require the seller to obtain an installment seller license pursuant to the MVSFA.