Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 2174 (Johnson) – As Introduced February 19, 2026

SUBJECT: Mobilehomes and manufactured housing: registration and titling documentation

SUMMARY: Requires the California Department of Housing and Community Development (HCD) to accept a signature executed electronically to release or satisfy a security interest held by a legal owner of manufactured home or mobilehome. Specifically, **this bill**:

1) Requires HCD, on or after January 1, 2028, to accept a signature executed electronically on a document submitted to release or satisfy a security interest held by a legal owner of a mobilehome or manufactured home.

2) Requires HCD to treat that signature as having the same force and effect as an original signature.

3) Prohibits HCD from requiring submission of an original wet signature to release or satisfy a legal owner's security interest.

EXISTING LAW:

1) Establishes the Manufactured Housing Act of 1980 (Health and Safety Code (HSC) 18000 *et seq.*)

2) Establishes the titling and registration requirements for all manufactured homes, mobilehomes, commercial coaches, truck campers, and floating homes. Authorizes HCD to adopt regulations to implement and interpret those titling and registration requirements (HSC 18075 *et seq.*)

3) Requires all manufactured homes, mobilehomes, commercial coaches, and floating homes sold or used within California to be subject to annual registration and payment of registration fees to HCD. (HSC 18075.5)

4) Requires a numbered report of sale, lease, or rental form issued by HCD to be submitted each time the following transactions occur by or through a dealer:

    a) Whenever a manufactured home, mobilehome, or commercial coach previously registered is sold, leased with an option to buy, or otherwise transferred; and

    b) Whenever a manufactured home, mobilehome, or commercial coach not previously registered in this state is sold, rented, leased, leased with an option to buy, or otherwise transferred. (HSC 18080.5(a))

5) Requires the transferor and the transferee of a title or interest to execute in the manner prescribed by HCD the certificate of title for the manufactured home or mobilehome and to notify HCD within 20 days. (HSC 18100.5(a)(1))

6) Establishes penalties for false statement, fraudulent transfers, or misuse of registration and title documents (HSC 18122 – 18124.5)

7) Establishes the Uniform Electronic Transactions Act (UETA) to allow the transaction of business, commerce, and contracts by electronic means, and establishes standards for conducting the electronic transactions. (Civil Code (CIV) 1633.1 *et seq.*)

8) Defines "electronic signature" as an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record. For purposes of this title, a "digital signature" as defined in subdivision (d) of Section 16.5 of the Government Code is a type of electronic signature.(CIV 1633.2(h))

9) Defines "digital signature" as an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature. Specifies a digital signature is a type of "electronic signature." (Government Code (GOV) 16.5(d))

10) Specifies a digital signature has the same force and effect as the use of a manual signature if and only if it embodies all of the following attributes:

    a) It is unique to the person using it;

    b) It is capable of verification;

    c) It is under the sole control of the person using it;

    d) It is linked to data in such a manner that if the data are changed, the digital signature is invalidated; and

    e) It conforms to regulations adopted by the Secretary of State (GOV 16.5(a)).

11) Specifies that the use of digital signatures shall be at the option of all parties. (GOV 16.5(b))

FISCAL EFFECT: Unknown.

COMMENTS:

***Author's statement*:** According to the author, "The continued reliance on wet signatures for documents related to lien releases and title updates for manufactured homes and mobilehomes is outdated and in need of modernization to bring these signature standards inline with 21st century technologies. AB 2174 updates existing law to allow the Housing and Community Development Department to accept electronic signatures, providing a more streamlined experience for Californians utilizing Department services."

***Mobilehome parks in California*:** Mobilehomes are pre-fabricated homes that are designed to be able to be transported and moved between locations. In practice, however, significant costs associated with relocation make it much more difficult to move a mobilehome. Because of their method of construction, mobilehomes are one of the most affordable types of housing, both as a pathway to homeownership and for tenants renting park-owned mobilehomes. In the latter arrangement, the relationship between a park resident and park management is similar to that of a traditional tenant-landlord relationship in other housing types. The resident leases the park-

owned mobilehome and the park management maintains the mobilehome and other facilities in the park. However, in the former example, the relationship is unique in that a resident may own their mobilehome yet still pay rent to park management to lease the space upon which the mobilehome rests. More than one million people live in California's approximately 4,500 mobilehome parks.

***Registration and titling*:** HCD maintains a statewide system to register and title mobilehomes and manufactured homes. This system applies to homes that are not converted to real property and serves as the official record of ownership and lien interests. HCD keeps a permanent title record for each home, which identifies the registered owner, any legal owner such as a lender, and key information about the unit.

When a mobilehome or manufactured home is first sold, brought into the state, or otherwise transferred, the new owner or dealer must apply to HCD for registration and title. Existing law requires submission of appropriate documents, fees, and, when a dealer is involved, a report of sale. The report of sale allows the transaction to be recorded while the full registration and titling process is completed. HCD reviews the application materials and, once complete, establishes or updates the permanent title record for the home.

After processing the application, HCD issues two primary documents. First, it issues a certificate of title, which reflects legal ownership and any secured interests recorded against the home. HCD also issues a registration card showing the registered owner and basic identifying information. Registration must be renewed annually with payment of fees, while the certificate of title remains in effect until there is a change in ownership or a lien is added or released.

Existing law also requires that ownership changes, lien recordings, and other title-related transactions be promptly reported to HCD using signed title documents and supporting paperwork. HCD then updates the permanent title record and issues revised documents as needed.

***Liens on title*:** In HCD's titling system, a lien on title represents a security interest in a mobilehome or manufactured home. This typically arises when a buyer finances the purchase. The lender, such as a bank or finance company, is recorded on the title as the legal owner, while the buyer is listed as the registered owner. The legal owner holds a secured interest in the home until the loan is fully repaid, and that interest is reflected in HCD's permanent title record.

Parties must properly submit title documents to HCD showing the lender's interest to create the lien. This usually occurs at the time of sale or financing, when the certificate of title is issued or updated to include the legal owner. Once recorded, the lien gives the lender priority rights in the home, meaning the lender can enforce its interest if the borrower defaults. Because HCD maintains a centralized title system, recording the lien with the department is what establishes and protects the lender's interest against other claims.

A lien remains on the title until it is formally released. When the borrower pays off the loan, the legal owner must execute a lien release and submit it to HCD, typically by endorsing the certificate of title or providing an approved release document. HCD then updates the title record and issues a new certificate showing that the lien has been cleared. Without this step, the lien continues to appear on the title even if the debt has been paid.

Liens in the HCD system function similarly to vehicle liens. They ensure that lenders are protected during the life of a loan and that anyone reviewing the title can clearly see whether the home is subject to a debt. The system is designed to provide clear notice of ownership and financial interests, reduce disputes, and maintain an accurate public record of title status.

***Digital signature vs. electronic signature*:** The difference between a digital signature and an electronic signature is mainly about scope and security requirements. Under CIV 1633.2(h), an electronic signature is defined as any electronic sound, symbol, or process attached to a record and executed with the intent to sign. This comes from California's adoption of the UETA, which governs most private and commercial transactions. Under UETA, electronic signatures are legally valid and cannot be denied effect simply because they are electronic, as long as the parties agree to conduct the transaction electronically and the signature can be attributed to the signer.

A digital signature is a specific type of electronic signature with stricter technical requirements, as specified in GOV 16.5. That statute applies mainly to communications with public entities and requires that a digital signature be unique to the signer, capable of verification, under the signer's sole control, and linked to the document so that any changes invalidate the signature. These requirements typically involve encryption or public key infrastructure, making digital signatures more secure and tamper-evident than general electronic signatures.

A digital signature is a subset of an electronic signature. UETA provides the broad legal framework for electronic signatures in California, while GOV 16.5 imposes additional requirements when a public agency chooses to use the more secure digital signature method. Importantly, GOV 16.5 applies primarily to government use, while UETA applies broadly to private and commercial transactions. AB 2296 (Low), Chapter 144, Statutes of 2016, amended GOV 16.5 to clarify that public agencies may use either digital signatures or other forms of electronic signatures.

***HCD electronic signature policy*:** HCD has adopted an electronic signature policy that allows the use of electronic signatures in certain programs and transactions, consistent with California's UETA and GOV 16.5.[1] This policy is primarily applied in areas such as grants, contracts, and administrative documents, where HCD has determined that electronic signatures are reliable and appropriate. However, HCD has not uniformly extended this flexibility to its mobilehome and manufactured housing registration and titling system. In practice, HCD continues to require original signatures for key title documents, particularly those affecting ownership or security interests. As a result, lien releases generally must be executed with original 'wet' signatures on the certificate of title or approved forms, and electronic signatures are typically not accepted for that purpose. For example, the Lien Satisfied form (HCD RT 475.3), which is required when removing a legal owner from the HCD Certificate of Title and the original title has not been signed by the legal owner, requires original 'wet' signature(s) from legal owners on the form. HCD also specifies that photo copies cannot be accepted on HCD RT 475.3. This reflects HCD's emphasis on preventing fraud and ensuring the accuracy and integrity of its title records.

***This bill*:** Existing law requires that when a mobilehome or manufactured home is sold or otherwise transferred, the parties must complete and submit the proper title documents to HCD

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[1] *Division of Financial Assistance Electronic Policy*, memorandum for stakeholders and interested parties. HCD, September 2020. https://www.hcd.ca.gov/grants-funding/get-funding/docs/esignaturememo_sept12020final.pdf

so the state can update its official ownership record. The transfer is not fully effective in the state's records until HCD receives the required forms, fees, and endorsements, including signatures from the seller and buyer and any lienholder if applicable. It also requires that these documents be submitted within a specified time period, and it allows HCD to record the new owner and issue an updated certificate of title once the submission is complete. This process ensures that ownership and any security interests are accurately tracked in the state's title system. Today, an original 'wet' signature from a legal owner is required to release or satisfy a security interest. This bill requires HCD to accept signatures executed electronically to release or satisfy a legal owner's security interest.

***Policy consideration*:**

***Accurate title records*:** A lien release directly affects legal ownership and priority rights in the mobilehome. When a lender (i.e., the legal owner) releases its security interest, it is giving up a recorded property right. Because this change is significant and can affect buyers, lenders, and title status, HCD ensures that the release is authentic and authorized. Requiring original signatures helps reduce fraud and unauthorized releases. Mobilehome titles are particularly vulnerable because they function like vehicle titles but may involve high-value assets. A forged or improperly submitted lien release could wrongfully clear a title. *To balance the risk of forged or improperly submitted lien releases with the goal of modernizing submission of titling documents, the committee may wish to consider amending the bill to require HCD to accept a signature executed electronically consistent with the attributes set forth in GOV 16.5 (a).*

***Committee amendment*:**

…

(f) **(1)** On and after January 1, 2028, the department shall accept a **verified** signature executed electronically on a document submitted to release or satisfy a security interest held by a legal owner pursuant to this section and shall treat that signature as having the same force and effect as an original signature. The department shall not require submission of an original wet signature to release or satisfy a legal owner's security interest pursuant to this section.

(2) For purposes of this subdivision, a "verified signature executed electronically" means a digital signature that embodies all of the attributes set forth in subdivision (a) of Section 16.5 of the Government Code.

***Arguments in support*:** According to the Western Manufactured Housing Communities Association, "Currently, HCD requires an original 'wet' signature from a legal owner to release or satisfy a security interest on a mobilehome or manufactured home title. Because these signatures must be physically executed and mailed, the current process can create unnecessary delays in updating title records and completing ownership transfers. In practice, these delays can slow real estate transactions, increase administrative burdens for lenders and escrow companies. The need to have title transfer documents contain a 'wet signature' delays the transfer of title for mobilehomes, and this needlessly delays a homeowner's ability to occupy a new home in a manufactured housing community."

According to the California Manufactured Housing Institute, "For manufactured housing communities, the ability to process documentation efficiently is an important part of facilitating home sales, ownership transfers, and financing transactions. Modernizing this process will help

ensure that homeowners, lenders, and industry professionals can complete transactions more efficiently."

REGISTERED SUPPORT / OPPOSITION:

Support

Western Manufactured Housing Communities Association (Sponsor)
California Manufactured Housing Institute

Opposition

None on file.

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