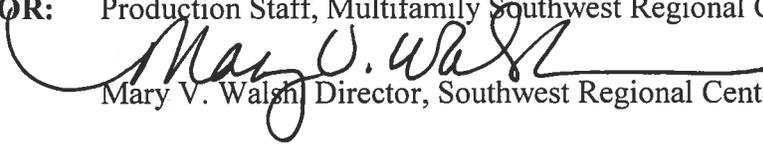




U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Southwest Multifamily Region
*Serving Arkansas, Iowa, Kansas, Louisiana, Missouri, Nebraska,
New Mexico, Oklahoma, and Texas*
Multifamily Customer Service Telephone Line 1-800-568-2893
www.hud.gov

September 11, 2018

MEMORANDUM FOR: Production Staff, Multifamily Southwest Regional Center

THROUGH: 
Mary V. Walsh, Director, Southwest Regional Center

FROM: Kenneth L. Cooper, Production Director, Multifamily Southwest Regional Center

SUBJECT: Aluminum Wiring versus Copper Wiring in Multifamily Housing Properties

Background

On October 25, 2007, the former Fort Worth HUB issued a memorandum instituting a policy disallowing the use of aluminum wiring for branch circuits, and aluminum wiring from the exterior meter base to the apartment panels "the 2007 policy." This memorandum was issued due to safety concerns, however, developments since the institution of the 2007 policy provide compelling reasons to reconsider the policy:

- Improvements have been made in materials and industry practice.
- Uniform building codes have been more widely adopted, and local variances can be confusing.
- Type SE aluminum cable is commonly used for residential service entrances and feeders, including multifamily installations.
- HUD Multifamily Housing desires to have identical standards, to the extent possible, across the FHA production platform.
- The 2007 policy often results in a significant cost penalty for new construction.

Policy Change

The Southwest Region hereby rescinds the 2007 policy and revises guidance to allow aluminum wiring in the stated application (service entrance to individual apartment panel, aka "Stage 2" wiring) provided the local building code allows, and the construction documents (plans and specifications) provide adequate information to safely install the electrical service. Branch circuits from panels shall remain copper.

Effect on Projects in the Pipeline

For projects that have Firm Commitments issued but have not reached initial endorsement:

- The lender may submit an addendum to the construction drawings along with concurrence from the third-party plan reviewer that support a design change to incorporate aluminum feeders.
- A revised Form HUD-92328 and revised construction contract Form HUD-92448 will be required.

For projects that have reached initial endorsement but have not started construction of the electrical service portion:

- The MAP lender may submit a change order request, Form HUD-92437, to the Southwest Construction mailbox SWProduction@hud.gov along with back-up documentation.

We do not anticipate issuing change orders for developments where construction of electrical service to buildings has started.