U.S. Department of Housing and Urban Development
Public and Indian Housing

Special Attention of:
Office Directors of Public Housing;
Regional Directors; Public Housing Agencies.

Notice PIH 2011-29 (HA)

Issued: June 3, 2011

Expires: Effective until amended, superseded, or rescinded

Cross References: PIH-2010-010

SUBJECT: HQS Inspections for the Housing Choice Voucher Program and Guidance Related to Electrical Outlets

1. Purpose:

This Notice reviews the existing Housing Quality Standards (HQS) requirements and clarifies the existing guidance that Public Housing Agencies (PHAs) may rely upon when conducting inspections. It also offers additional guidance on what types of three-prong electrical outlets an inspector should consider acceptable under HQS.

2. Applicability:

This Notice applies to HUD programs that use the HQS requirements, including the following HUD-PIH rental assistance programs: Project-Based Voucher, Project-Based Certificate, and Housing Choice Voucher (HCV) Programs.

3. Introduction:

The goal of HUD's Section 8 Housing Choice Voucher (HCV) Program is to provide "decent, safe, and sanitary" housing at an affordable cost to low-income families. To accomplish this, HCV program regulations at 24 CFR 982.401 set forth basic housing quality standards (HQS). All units must meet HQS both before a PHA can approve a tenancy, and throughout the term of the lease. PHAs must inspect each assisted unit at least annually to ensure the unit meets HQS. HQS define "standard housing" and establish the minimum criteria for the health and safety of program participants.

Current HQS regulations consist of 13 key aspects of housing quality, and acceptability criteria to meet each performance requirement. HQS includes requirements for all housing types, including single and multi-family dwelling units, as well as specific requirements for

special housing types such as manufactured homes, congregate housing, single room occupancy, shared housing, and group residences.

4. Background:

A May 2008, HUD Office of Inspector General (OIG) report concluded that HUD did not have adequate controls to ensure that HCV program housing was in material compliance with HUD's HQS. This Notice reviews the existing HQS requirements and identifies the guidance that PHAs may rely upon when conducting inspections until the Department issues updated guidance on HQS.

The Notice is divided into two sections. The first section lists the HUD program requirements that apply to HQS and supplementary guidance that PHAs and inspectors may rely upon when conducting inspections. The second section deals with the issue of electrical receptacles, which is an area of concern for many inspectors conducting HQS inspections.

5. Housing Quality Standards:

A. General

The HCV program is designed to cover a diverse housing stock of different ages, structure types, geographic location and climate. In light of this approach, HUD issued guidance that PHAs can rely upon for the interpretation of HQS. It is important to note that, based upon the diversity of the housing stock nationwide, many of the criteria rely upon the expertise and knowledge of a PHA's housing inspectors to determine whether a unit meets HQS. This Notice identifies program requirements related to HQS inspections as well as reference materials that HUD has issued to supplement the regulatory requirements.

B. Program Requirements

HUD's current HQS regulations for the HCV program are found at 24 CFR 982.401, and consist of the 13 key aspects of housing quality and the accompanying Performance Requirements and Acceptability Criteria. The PHA must comply with the regulations, which are always the controlling requirement if there is a conflict between them and any other guidance.

The Department also issued the following two inspection forms. PHAs must comply with one of these forms when conducting HQS inspections.

(1) Inspection Form HUD-52580; or

(2) Inspection Checklist, Form HUD-52580A

C. Supplemental Materials

The Department issued supplemental materials, which set out daily operating procedures in more detail than is included in the regulations. While the supplemental materials do not have the force of regulation, PHAs may rely on the materials as reflective of HUD's interpretation of its regulations. The Department issued the following supplemental materials to assist PHA inspectors in determining if a unit will pass the HQS inspection:

(1) Chapter 10 of the Housing Choice Voucher Program Guidebook, 7420.10G, and

(2) Housing Inspection Manual.

Although the Department designed these materials to minimize the amount of ambiguity and subjectivity in the application of the requirements, there will be situations where the professional judgment of the inspector will be necessary to differentiate between a pass or fail condition.

D. Verification of HQS Deficiency Correction

This section provides clarification regarding the need to conduct a follow-up inspection for tenant based voucher units after a failed annual or interim inspection.

If the PHA determined from the inspection that the unit did not meet the HQS requirements, the PHA may allow the unit to pass upon verification that the HQS deficiency has been corrected. The regulation at 982.404(a)(3) states that the PHA "verifies" HQS repairs. The PHA may elect to do a reinspection to comply with 982.404(a)(3) to verify that all HQS deficiencies have been corrected. However, a reinspection is not necessary if the PHA can obtain verification through other means. For example, a PHA might accept an owner's certification that required repairs were completed and then verify that action at the next on-site inspection. Further, a PHA might tie the verification process to the severity of corrections needed and/or its experience with the owner and property. PHAs should include in the PHA's Administrative Plan how the PHA will verify the correction of HQS deficiencies.

In the case of initial inspections, the PHA is required to conduct a follow-up inspection if the unit does not pass HQS pursuant to the initial inspection. Additionally, in the case of project based vouchers, the PHA is required to conduct follow-up inspections to determine if the HQS deficiency is corrected pursuant to 24 CFR 983.103(e)(2).

6. Electrical Receptacles:

A. Background

The HCV program regulations at 24 CFR 982.401(f) set forth the HQS requirements and acceptability criteria with respect to illumination and electricity for the housing unit. The regulations state that a unit must include the following acceptability criteria for electricity.

- the kitchen and bathroom must have one permanent ceiling or wall light fixture in proper operating condition;
- the kitchen must have at least one electrical outlet in proper operating condition; and
- the living room and each bedroom must have at least two electrical outlets in proper operating condition (permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets).

The inspector is responsible for determining whether the outlets are in "proper operating condition." While the regulation does not define what the Department considers "proper operating condition," HUD-Form 52580A cites examples of electrical hazards including:

- broken wiring;
- non-insulated wiring;
- frayed wiring;
- improper types of wiring, connections or insulation;
- wires lying in or located near standing water or other unsafe places;
- light fixture hanging from electric wiring without other firm support or fixture;
- missing cover plates on switches or outlets;
- badly cracked outlets;
- exposed fuse box connections; and
- overloaded circuits evidenced by frequently ''blown'' fuses (which the inspector determines by asking the tenant).

B. Types of Outlets and Their Proper Operating Condition

In response to an OIG audit, HUD is issuing this Notice to clarify the proper operating condition of electrical outlets (110V/120V). There are two basic types of outlets: two-pronged (also called "two-slotted") and three-pronged outlets. Three-pronged outlets have an additional hole for a ground wire, and are "grounded outlets." Two-pronged outlets are "ungrounded."

Generally, original two-pronged, ungrounded outlets and original three-pronged, grounded outlets are acceptable under the HQS. "Upgraded" outlets, which have been changed from two-pronged to three-pronged, are the major area of concern in this Notice.

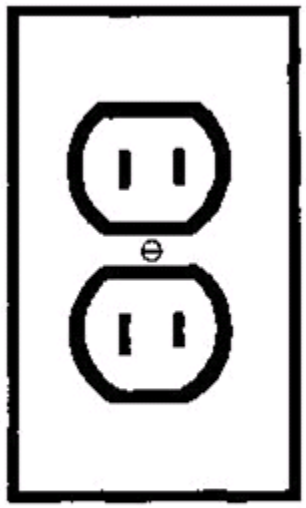


FIGURE 1 UNGROUNDED

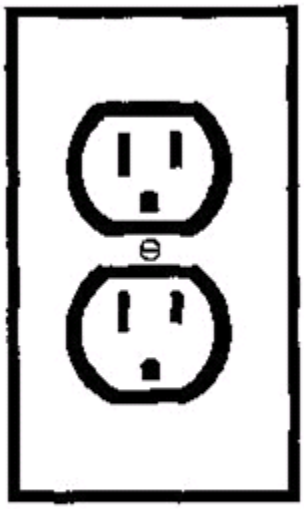


FIGURE 2 GROUNDED

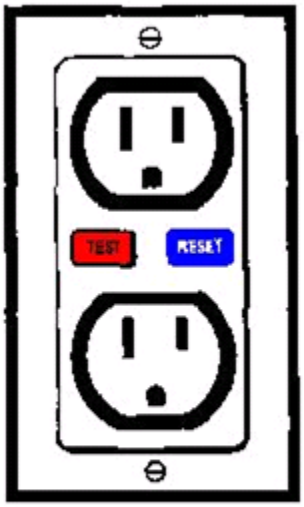


FIGURE 3 GFCI

Ungrounded Outlets

Older construction (pre-1975) housing will usually have ungrounded two-pronged outlets, which is an acceptable type of outlet under the HQS. (Figure 1) Homes constructed with a two-wire electrical system include only a hot and neutral wire. Two-pronged ungrounded systems and outlets are acceptable under HQS as long as the outlet is in proper operating condition. An owner does not need to upgrade the electrical system of the unit (replace two-pronged outlets to three-pronged) in order for the unit to pass an HQS inspection.

Grounded Outlets

Newer construction housing will usually have three-pronged outlets, which are acceptable under HQS if the outlets are grounded. (Figure 2) Newer units constructed with a three-wire electrical system include a hot, neutral, and ground wire. This Notice outlines traditional methods of testing grounded outlets for proper operating condition below.

"Upgraded" Outlets

Many of the cords for today's appliances contain three-pronged plugs, which can cause problems when an older home does not have three-pronged outlets for these grounded plugs. In the case of older homes, owners often replace two-pronged, ungrounded outlets with three-pronged, grounded type outlets in order to establish appropriate outlets for appliances that have cords with three-pronged plugs. However, in some cases, owners may replace two-pronged, ungrounded outlets with the three-pronged, grounded type outlets without the necessary rewiring that adds a ground wire to the newly installed, grounded type outlet.

Three-pronged, grounded type outlets should not be substituted for ungrounded outlets unless (1) a ground is connected to the outlet, or (2) a Ground Fault Circuit Interrupter (GFCI) protects the outlet. (Figure 3) Installing a new ground wire may require a licensed electrician to install a new wire to the circuit breaker box and may be prohibitively expensive. A more

cost-effective method is to protect the outlet with a GFCI, which provides protection to the outlet. If the GFCI senses a difference in current flow between the hot and the neutral terminals, it shuts off the flow of current to the outlet.

An older construction house with a grounded outlet (Figure 2) would be an indication that the unit may have undergone some upgrading. In such cases, the Department recommends testing a sample of outlets in the unit to determine if three-pronged outlets are in proper operating condition, in addition to verifying the proper operating condition of the required number of outlets per room.

Testing of Outlets to Determine Proper Operating Condition

Two-pronged, Ungrounded Outlets

The traditional method of testing a two-pronged, ungrounded outlet is to plug an appliance into the outlet and verify that the appliance turns on. This simple method is acceptable for determining that the ungrounded outlet is in proper operating condition and meets HQS.

Three-pronged Outlets

A three-pronged outlet must meet one of the following three standards for the inspector to consider the outlet in "proper operating condition" as required by HQS:

1. The outlet is properly grounded.
2. A GFCI protects the three-pronged, ungrounded outlet.
3. The outlet complies with the applicable state or local building or inspection code.

The inspector needs to use an outlet tester to determine whether the outlet is properly grounded. There are two types of outlet testers that an inspector can use to determine a properly grounded outlet: a two-wire tester or a three-pronged tester.

Two Wire Tester

Three Prong Tester

To test an outlet with a two-wire tester, an inspector inserts one probe into the hot slot (usually, the smaller slot) of the outlet and one probe into the ground hole (bottom hole). If the outlet is properly grounded, the indicator light should light brightly in the same manner

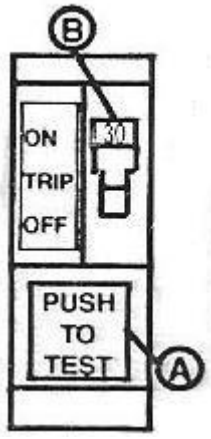
that the light shines when the inspector inserts the probes of the tester into the hot and neutral (right and left) slots.

To test an outlet with a three-pronged tester, the inspector should plug the device in and note the pattern of the lights. Usually there will be a legend printed on the device describing what the lights indicate. The instructions provided by the manufacturer of the tester should be followed.

If the inspector determines that the outlet is not properly grounded based on the results of the outlet tester, he/she may need to conduct some additional investigation to determine if a GFCI protects the outlet. A GFCI can be located at the outlet that is being tested or upstream on the circuit of the outlet. If the GFCI is at an outlet, it will look similar to Figure 3 above, and the inspector should accept the outlet as GFCI-protected after testing the functionality of the GFCI as indicated below.

As stated above, an ungrounded outlet may be protected by a GFCI at another outlet that is upstream from the ungrounded outlet. If the inspector suspects that this may be the case, there is an easy way to determine if the GFCI protects an outlet. The inspector should "trip" all of the GFCIs in the unit; both at the outlet and in the circuit breaker box and determine if there is power to the ungrounded outlet. If the power to the outlet is off, then one of the GFCIs protects the outlet.

Occasionally, a GFCI may be located on the circuit breaker at the load center (circuit breaker box). The following image depicts a GFCI breaker: the distinctive indicator is the "Test" button mounted on the breaker. An inspector may want to "trip" the GFCI in order to identify that the power shuts off to any ungrounded outlet that is protected by the breaker. To "trip" the GFCI, the inspector would press the test button (A) and the switch (B) will move and shut off power to the circuit. This allows the inspector to verify that the outlet is GFCI- protected.



GFCI Breaker

C. Testing of Ground Fault Circuit Interrupters (GFCIs) To Determine Proper

Operating Condition

If an outlet contains a GFCI, the GFCI must work as designed in order for the inspector to consider the GFCI in proper operating condition. However, a GFCI can be in proper operating condition even if it is not grounded. A GFCI is in proper operating condition if pressing the "TEST" button on the GFCI trips the circuit and shuts off power through the receptacle. It is important to note that some three-prong testers have a GFCI test button function built into the tester. The test button on a three-prong tester only works to trip a grounded GFCI. Therefore, if the GFCI is not grounded, the circuit tester will erroneously indicate that the GFCI is malfunctioning. As a result, inspectors cannot depend solely on-three prong testers to determine if a GFCI is in proper operating condition. Instead, the inspector should press the "TEST" button, and if the button trips the circuit and shuts off the power through the receptacle, the GFCI is in proper operating condition.

7. **For Further Information:** Contact Brian Gage, Office of Housing Voucher Management, Room 4210, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410, at (202) 402-4254.

/s/

Sandra B. Henriquez, Assistant Secretary
for Public and Indian Housing