



National Standards for the Physical Inspection of Real Estate (NSPIRE)

Real Estate Assessment Center (REAC) at the National Affordable Housing Management Association (NAHMA)

October 26, 2023

Sunset of HQS and UPCS

Uniform Physical Condition Standards (UPCS) and Housing Quality Standards (HQS) have been the standards by which HUD measured the physical condition of properties for over 20 years





NSPIRE Milestones

FY2023

Spring

Publish Final NSPIRE Rule, with effective date of July 1, 2023

Completed May 11, 2023 ✓

Ongoing training ✓

Summer

Publish final Standards, Administrative procedures & Scoring notices

Completed June 22, June 30 & July 7 ✓

Implement resident feedback from Pilot – June 30, 2023 ✓

*Public Housing inspections commence – **Began Aug. 10, 2023*** ✓

Ongoing training ✓

Fall

Multifamily Housing & Vouchers effective date – October 1, 2023



Final Rule & Standards



HUD published a proposed rule in January 2021 and proposed NSPIRE standards for comment in June 2022. On May 11th, 2023, HUD published the final NSPIRE rule that introduced changes to all of HUD's rental assistance programs. The rule:

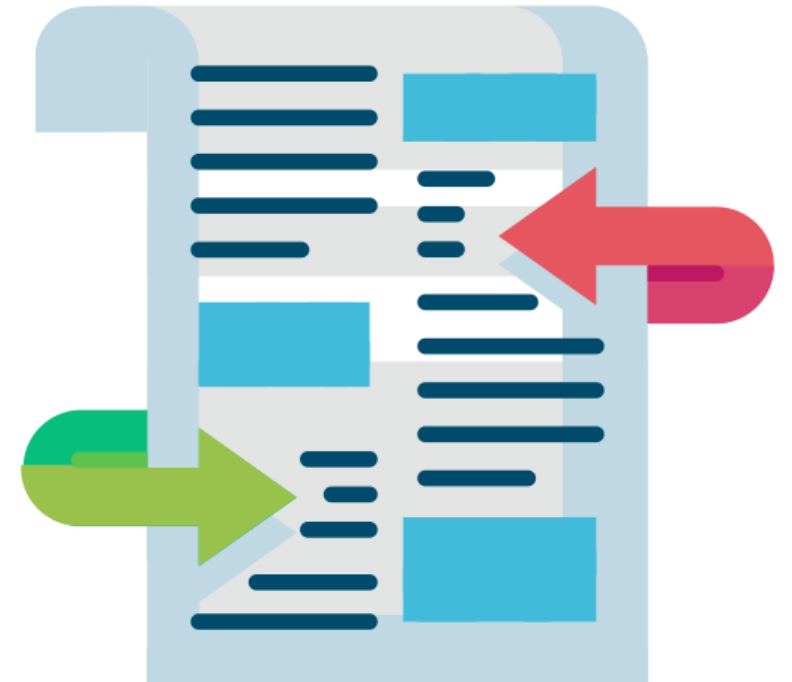
- Requires the same health and safety standards for all HUD assisted rental housing, including privately owned properties where HUD-assisted residents reside (e.g., vouchers)
- Specifies the manner and timeframe for the remediation of health and safety deficiencies for three categories of health and safety defects with specific remediation timelines, and align HOTMA Life-Threatening
- Requires an annual self-inspection and reporting requirement for public and Multifamily housing program properties
- Outlines the NSPIRE framework including standards and administrative processes such as appeals and enforcement for REAC-performed inspections
- Revises the approach to scoring of REAC-performed inspections to emphasize resident health

New Items in the Final Rule

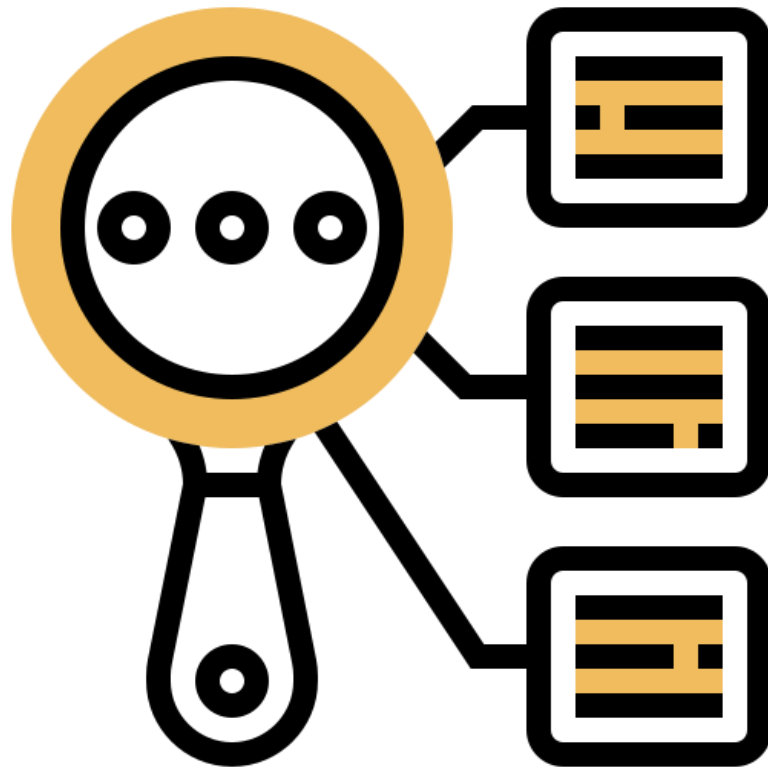


The final rule establishes a new approach to defining and assessing housing quality: The National Standards for the Physical Inspection of Real Estate (NSPIRE). This rule is part of a broad revision of the way HUD-assisted housing is inspected and evaluated. New items include:

- Inspection standards review process at least every 3 years
- Habitability and safety “affirmatives” in regulation (e.g., space, GFCI outlets, lighting, HVAC, water safety)
- Removed site and neighborhood requirements for HCV
- New nomenclature for health and safety deficiencies: Life-threatening, Severe, Moderate and Low
- Life-threatening and Severe deficiencies correction requirements
- Self-inspections for Public and Multifamily Housing programs: all units, annually and collected if score <60
- Administrative enforcement referrals to HUD’s Dept. Enforcement Center (DEC) for scores 30 and below, or two successive scores <60



Standards Notice



The Standards Notice details inspectable items at HUD-assisted and Multifamily-insured properties. This includes a classification of which conditions are considered Life-threatening, Severe, Moderate, or Low risk by item and inspectable area. HUD will subsequently update these Standards through future Federal Register notices at least once every 3 years with an opportunity for public comment.

- Published on June 22nd, 2023
- Full Standards Notice found on the [Federal Register](#)
- Federal Register includes the list of Life-Threatening conditions for the voucher program under HOTMA

Changes in Final Standards Notice



The final standards were published with changes considering feedback HUD received and additional testing in the field during the NSPIRE Demonstration. Major changes include:

- Addressing life-threatening and severe deficiencies within 24 hours and moderate deficiencies within 30 days
- Making the Smoke Alarm Standard consistent with the National Fire Protection Association (NFPA) Standard 72
- Creating a Fire Door Standard detailing the specific function, operability and structural integrity requirements for fire doors
- Requiring carbon monoxide alarms to be installed in compliance with the 2018 International Fire Code
- Setting minimum temperature requirements during the colder months and a permanent heating source
- Including criteria for when guardrails and handrails are required

- Establishing infestation deficiencies based on discrete levels of observations with clarification on citable pests
- Developing deficiencies based on observed mold conditions or elevated moisture levels measured using a moisture meter
- Including a deficiency for an enhanced visual assessment for deteriorated paint in units where children under 6 years of age reside to document potential lead-based paint hazards
- Including affirmative habitability requirements for bathrooms, kitchens, and other rooms utilized by residents (e.g. safe drinking water in kitchen and bathroom, space for food preparation and storage)

Administrative Notice



HUD published the NSPIRE Administrative notice on June 30th, 2023, which covers the process and operational requirements for Public housing and Multifamily Housing assisted properties covered by the final rule. The Administrative notice includes:



- What to expect before, during, and after an inspection
- Policies and procedures for properties participating in inspections
- Submitting evidence of deficiency correction, submitting technical reviews, administrative review, and other administrative requirements associated with the final NSPIRE rule
- Outlines roles and responsibilities for HUD's REAC, HUD field office staff, and property representatives from PHAs and Property Owners and/or Agents (POAs)
- Requirements for inspectors performing inspections for REAC under contract

Scoring Notice

The NSPIRE Scoring Notice outlines how HUD will sample and score Public and Multifamily housing properties for an inspection. The Scoring Notice is a critical step in HUD's mission to improve conditions in HUD assisted housing by aligning and consolidating inspection regulations used to evaluate HUD housing across multiple programs.

- Like the final Standards Notice, the scoring methodology will also be updated once every 3 years with an opportunity for public comment
- Published on July 7th, 2023
- Full Scoring Notice found on the [Federal Register](#)



Highlights in Final Scoring Notice



Deficiencies are scored based on two factors: severity and location



Deficiencies are weighed using a Defect Severity Value where the weight of the deduction for a given deficiency changes depending on both the location and the severity of the deficiency



New requirements in the rule will not be scored in the first 12 months of NSPIRE implementation



PHAs can expect to receive their full scored inspection report within 15 days and have 45 days to submit a request for a technical review for issues or errors

H&S Determinations

Life Threatening



Deficiencies that, if evident in the home or on the property, present a high risk of death or severe illness or injury to a resident.



Severe



Deficiencies that, if evident in the home or on the property, present a high risk of permanent disability, or serious injury or illness, to a resident; or the physical security or safety of a resident or their property would be seriously compromised.



Moderate



Deficiencies that, if evident in home or on property, present a moderate risk of an adverse medical event requiring a healthcare visit; cause temporary harm; or if left untreated, cause or worsen a chronic condition that may have long-lasting adverse health effects; or that the physical security or safety of a resident or their property could be compromised.



Low



Deficiencies critical to habitability but not presenting a substantive health or safety risk to residents.

Core Health & Safety Focus

The eight focus areas are critical to the habitability and safety of residents



Defect Examples



	Outside	Inside	Unit
Life-Threatening	Gas dryer exhaust ventilation system has restricted airflow.	Structural system exhibits signs of serious failure.	Flammable or combustible material is on or near an ignition source.
Severe	A sharp edge that can result in a cut or puncture hazard is present.	Fire labeled door does not close and latch or self-close and latch.	Call-for-aid system is blocked.
Moderate	Trip hazard on walking surface.	Plumbing leak that allows for water intrusion in unintended areas.	Refrigerator component is damaged such that it impacts functionality.
Low	Water runoff is unable to flow through the site drainage system.	Auxiliary lighting component is damaged or missing.	Presence of mold-like substance at very low levels is observed visually.





NSPIRE Defect Impact Weights



- The **Defect Impact Weights** table shown below is the backbone of the scoring model

	Outside	Inside	Unit
Life-Threatening	49.6	54.5	60
Severe	12.2	13.4	14.8
Moderate	4.5	5	5.5
Low	2	2.2	2.4

Non-scored Deficiencies





Items that will not be scored until at least October 1, 2024 include:

-  **Fire Labeled Doors:** All Defects (*All locations*)
-  **Electrical – GFCI:** An unprotected outlet is present within six feet of a water source (*All locations*)
-  **Guardrail:** All Defects (*All locations*)
-  **HVAC:**
 - A. The inspection date is on or between October 1 and March 31 and:
 - a) The permanently installed heating source is working and the interior temperature is 64 to 67.9 degrees Fahrenheit. (*All locations*) or;
 - b) the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit. (*All locations*)
 - B. The inspection date is on or between April 1 and September 30 and a permanently installed heating source is damaged, inoperable, missing, or not installed. (*All locations*)

-  **Interior Lighting:**
 - a. At least one (1) permanently installed light fixture is not present in the kitchen and bathroom. (*All locations*)
-  **Minimum Electrical and Lighting:**
 - a. At least two (2) working outlets are not present within each habitable room. OR At least one (1) working outlet and one (1) permanently installed light fixture is not present within each habitable room.

Non-scored Deficiencies

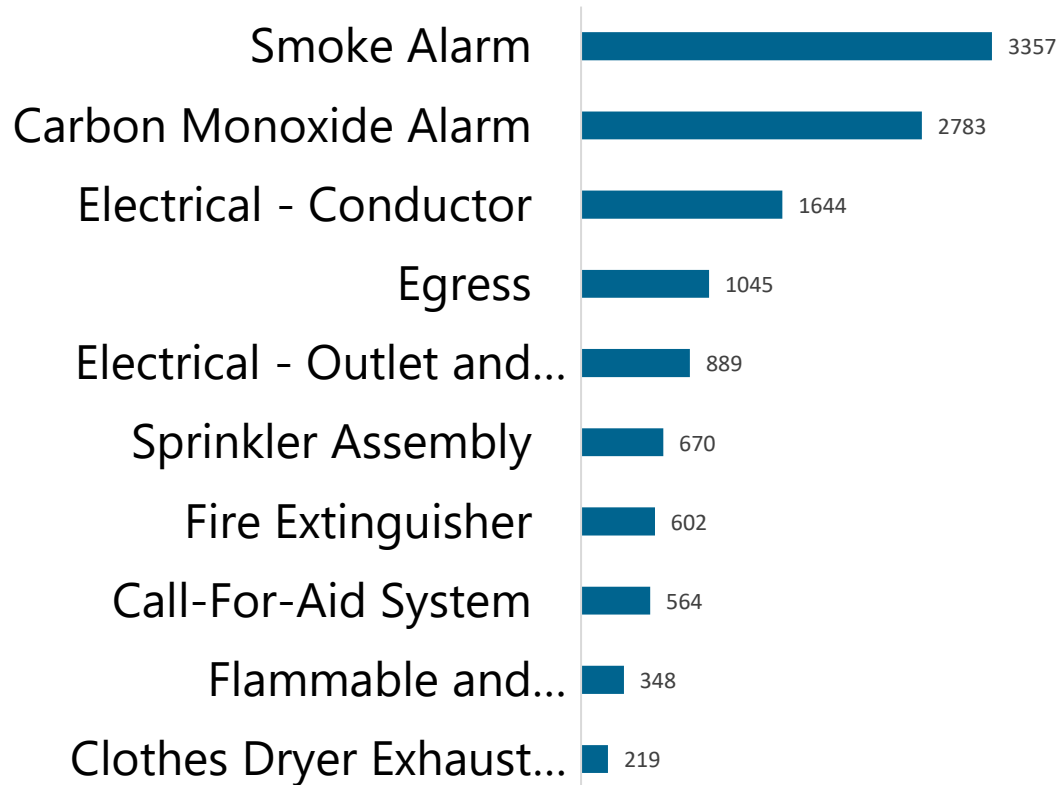
Items that will not be scored indefinitely include:

-  **Carbon Monoxide Device:** All Defects
-  **Smoke Alarm:** All Defects (including the new "Smoke Alarm is Obstructed" defect)
-  **Call-for-Aid:** System is blocked, or pull cord is higher than 6 inches off the floor. *All locations*
-  **Handrail**
 - A. Handrail is missing. *All locations*
 - B. Handrail is not installed where required. *All locations*

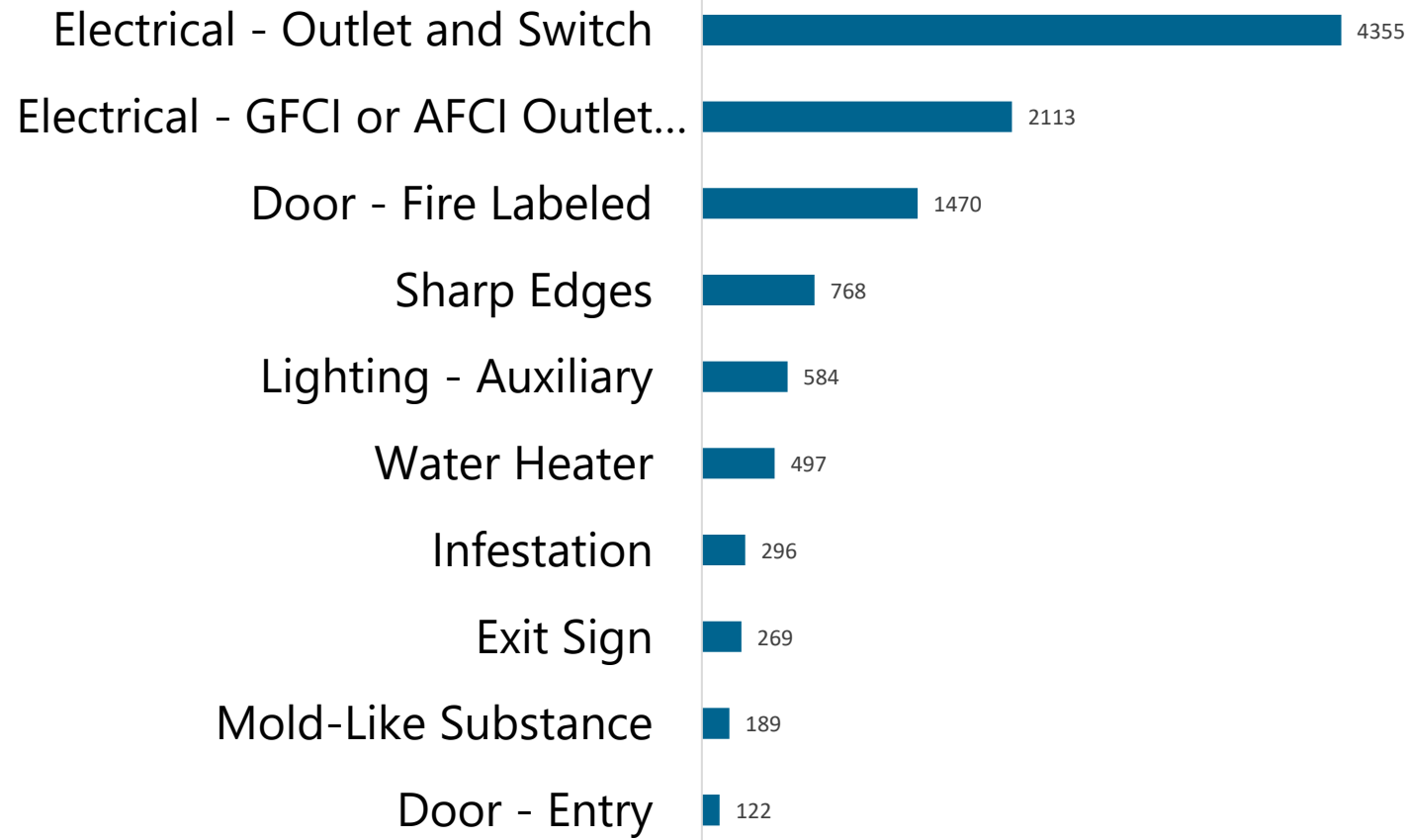


Top Defects Based on Demonstration

Top 10 Most Occurring Life Threatening Defects



Top 10 Most Occurring Severe Defects





NSPIRE IT Solution



- Built on cloud-based platform solution
- Benefits
 - Unified: Aligned with the NSPIRE standards – mobile application, community portal, and backend applications
 - UI/UX: Standardized design across all backend applications
 - Ease of use: consistency from inspection to inspection and from inspector to inspector

Supporting Residents: NSPIRE's Efforts to Improve Public Housing



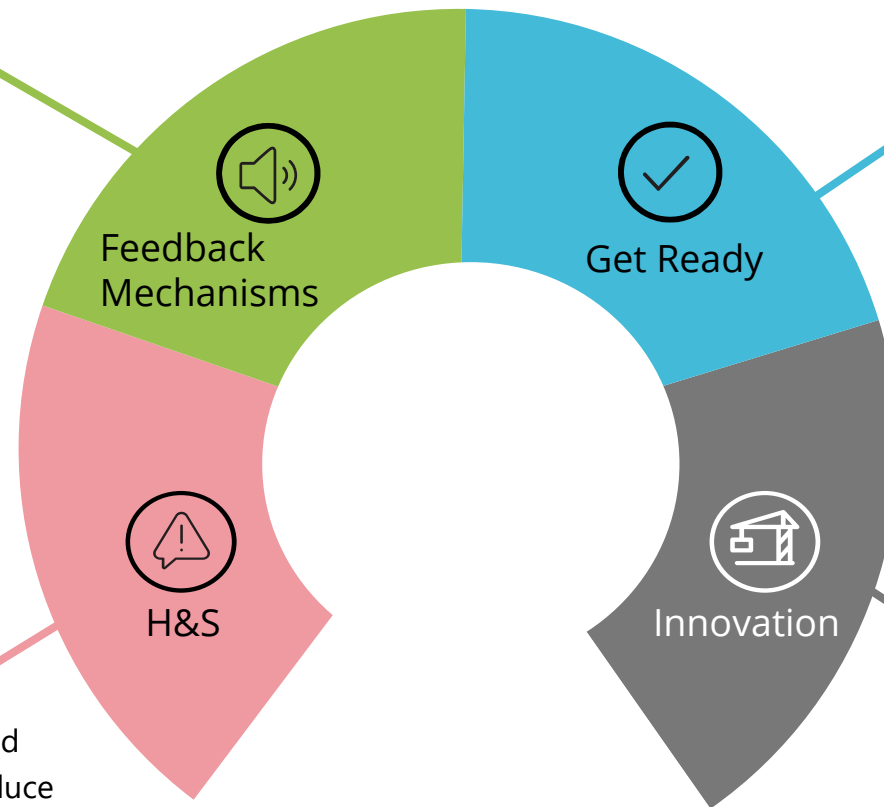
Objective: Below is an overview of ways NSPIRE is supporting its residents. The purpose of NSPIRE is to strengthen HUD's physical condition standards to ensure residents live in homes that are safe and habitable.

Resident Engagement and Feedback

- Obtaining feedback from residents through resident workshops to gather input
- Incorporating resident feedback through in-person meetings and formal requests for public comments on ways the department can improve collaboration and resident engagement in the inspection process
- Using HUD Inspection Feedback Surveys to capture residents' input based on their experiences at various touchpoints with REAC inspections

Health and Safety Prioritization

- Requiring property owners to address health and safety issues within a specified timeframe to reduce risks to residents
- Developing H&S and inspection informational flyers



Information and Education

- Creating a dedicated webpage for HUD resident engagement
- Offering training sessions for residents and stakeholders to enhance their understanding of the program and its benefits
- Hosting NSPIRE informational sessions to inform stakeholders of new processes and the NSPIRE application

Housing Improvement and Innovation

- Improving NSPIRE program effectiveness by adopting new technology and automation tools
- Advancing resident engagement through multiple communication channels

NSPIRE: What's Next?

Although HUD has published the Rule and regulations necessary to conduct NSPIRE inspections, there is still more to come:

- **REAC inspections officially began for the Public Housing portfolio on August 10, 2023 and for Multifamily Housing programs on October 1, 2023. These inspections include**
 - 28-day notice of inspection;
 - Pre-inspection collection of safety certificates and lead-based paint evaluations; and
 - NSPIRE system onboarding of HUD field staff and property contacts to see inspection results and upload evidence of correction of Life-threatening and Severe hazards
- Notice on NSPIRE administrative enforcement process
- Notice and rulemaking on HUD inspector administration
 - Inspector training, experience and certification requirements
- Enhanced follow-up assessment program and standards for pests, mold and moisture, life safety systems



NSPIRE

Questions and Feedback

NSPIRE@hud.gov or search for "HUD NSPIRE" found on HUD.gov

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