

On-Site Insights

NAHMA'S NEWSLETTER FOR CERTIFIED AFFORDABLE HOUSING PROFESSIONALS

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HUD Releases Guidance for Submitting NSPIRE Appeals

PROPERTY MANAGEMENT | MAINTENANCE

According to HUD, it has received feedback that Public Housing Authorities (PHAs) and property owners/agents (POAs) have been experiencing issues when submitting appeals in the NSPIRE information technology system. As a result, HUD has made [Technical Review Guidance](#) available, which provides a summary of the basis for technical review along with instructions on how to submit an appeal.

HUD said, if a property owner/agent believes that a property's inspection results and score should be reviewed due to verifiable reasons, they may request a technical review. They should submit the request electronically through the NSPIRE system within 45 calendar days following the day HUD provides the inspection report.

A request for a technical review must be accompanied by evidence supporting the claim. HUD recommends



UNSPLASH

seeking a technical review only if the correction will result in a significant improvement in the overall score of the property, such as an increase to 60 or above or a change in the inspection frequency.

Email HUD at NSPIRE@hud.gov, or

call the Technical Assistance Center at 1-888-245-4860, with any questions.

TECHNICAL REVIEW OVERVIEW

According to a technical review guidance flyer, a property can request a technical review of the inspection results and

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NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION
 is the leading voice for the affordable housing management industry, advocating for developing, managing and preserving quality affordable multifamily housing.

score. The technical review process allows PHAs and POAs to have points restored for verifiable reasons, including HUD or inspector error, adverse conditions beyond their control, modernization work in progress, and conflicts with state or local code. A request for a technical review of inspec-

tion results must be submitted electronically in the NSPIRE system. REAC must receive it no later than the 45th calendar day following the day HUD provides the inspection report to the POA or PHA.

“IT’S A LEARNING PROCESS for everybody, the site managers, the inspectors, and the residents. I do believe with the new protocols, everybody is on a learning curve.”

tion results must be submitted electronically in the NSPIRE system.

REAC must receive it no later than the 45th calendar day following the day HUD provides the inspection report to the POA or PHA.

ELIGIBILITY

According to HUD, a request for a technical review of inspection results must be accompanied by evidence that supports the claim. PHAs or POAs should only seek a technical review which, if corrected, will result in a significant improvement in the overall score of the property. Per 24 CFR 5.711(d)(5), significant improvement refers to an increase in a score for the property such that the new score crosses an administratively significant threshold, which may include an increase in the property score to 60 or above or change the inspection frequency as described in 24 CFR 5.705(c).

Upon receipt of the technical request



RESOURCES

[NSPIRE Homepage](#)

[NSPIRE Standards and How to Read Them](#)

[Technical Review Guidance](#)

[Toolkit for Closing Out Health and Safety Deficiencies](#)

[NSPIRE Notices](#)

[Instructional Videos](#)

[Communities Face New Standards Under \(On-Site Insights, Spring, 2024\)](#)

from the POA or PHA, REAC will review the inspection and the evidence. [Read the full NSPIRE National Standards notice.](#)

According to HUD, submitting technical review requests does not in any way inform or suspend defect mitigation.

BASIS FOR TECHNICAL REVIEW

Building Data Error

Example: A component of the property (like a building, common area, or sidewalk) does not belong to the housing authority.

Acceptable evidence includes:

- Letter from a public authority (e.g., fire marshal, code enforcement officer, licensed contractor)
- Surveys performed by licensed professional or issued by government entity
- Proof of ownership

Adjustments for Factors Not Reflected or Inappropriately Reflected in Physical Condition Score

Example: Local code contradicts NSPIRE standards.

Acceptable evidence includes:

- Letter from public authority (e.g., fire marshal, code enforcement officer, licensed professional)
- Copy of official publication for the property location and applicable housing code

Unit Count Error

Example: An error in unit count affected the inspection sample size.

Acceptable evidence includes:

- Data count from the source system, PIH Information Center/Integrated Real Estate Management Systems

Adjustments for Adverse Conditions Beyond the Control of the Owner or PHA

Example: A natural disaster or circumstance beyond the control of the property owner caused the defect.

Acceptable evidence includes:

- Statement of nearby work and proof of damage caused to property (e.g., insurance claim, statement from government source)

A Non-Existent Deficiency Error

Example: The deficiency cited by the inspector does not apply to the observed condition, or the inspector cited the wrong defect.

Acceptable evidence includes:

- Evaluation from a public authority (e.g., fire marshal, code enforcement officer, licensed contractor)
- Letter from licensed professional

Adjustments for Modernization Work in Progress

Example: The defect cited is a result of a HUD-approved modernization or rehabilitation project that is underway.

Acceptable evidence includes:

- Letter from HUD approving the work
- Work orders from a licensed professional
- Contracts (e.g., legal documentation with signature by vendor responsible for work)
- Statement of start and completion dates

BEST PRACTICES FOR SUBMITTING TECHNICAL REVIEWS

HUD recommends POAs and PHAs reference the NSPIRE Standards for full details on standards and scoring methodology; and clearly describe the basis for appeal, ensure supporting documentation is legible. They should not submit documents unrelated to the specific deficiency that is appealed.

The guidance flyer also provides step-by-step instructions on how to submit an appeal in the system. **OSI**

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Dig Into the NAHMA Calendar Contest Winners

ASSOCIATION NEWS

Lily Morway, a 10th grader from Worcester, Mass., has been named the grand prizewinner in NAHMA's annual AHMA Drug-Free Kids poster and art contest. The talented artist's creation will appear on the cover of NAHMA's 2025 calendar. Lily, 16, also receives an all-expenses-paid trip to Washington, D.C., for a NAHMA Biannual Top Issues in Affordable Housing conference and a scholarship of \$2,500 from the NAHMA Educational Foundation.

The poster contest is open to children and senior residents 55 years or older who live in a community of a NAHMA or a local AHMA member company, as well as residents with special needs who live in a permanent supportive housing community

or Section 811 community of a NAHMA or a local AHMA member company.

The underlying message for the annual contest is always a drug-free theme. Still, the association wanted to open the door for more avenues of expression, so a subtheme was incorporated into the poster contest. The subtheme for this year is Dig Into a New Day: Our World Is a Garden of Delights.

Typically, the contest draws hundreds of participants nationwide. The artwork is divided into categories. For each grade category for children and the elderly and special needs levels, local AHMAs select up to three winning posters, which can consist of photographs, websites, computer art, or other media. The AHMA winners are then sent to NAHMA for



Lily Morway, grand prizewinner

consideration in the national contest.

The grade categories for children are based on the grade the contestants have completed by June 2024: kindergarten-first grade, second-third grade, fourth-sixth grade, seventh-ninth grade, and 10th-12th grade. Only students are eligible for the grand prize.

Regardless of the entry category, each national winner of the NAHMA contest receives a \$1,000 educational scholarship from the NAHMA Educational Foundation. All winners are also featured in the 2025 NAHMA Drug-Free Kids Calendar.

Furthermore, participants in the annual art contests held by the local AHMAs are eligible to be selected as Regional AHMA Art Contest Honorable Mentions. Those chosen for this distinction are featured in a special calendar section and receive a \$100 scholarship check.

The original grand prizewinning artwork will be sold in connection with the Educational Foundation's fundraising gala on Oct. 24, with the proceeds supporting the foundation's scholarship program.

Order the NAHMA Drug-Free Kids Calendar today by downloading and returning the [2025 Calendar Order Form](#) to NAHMA, with deliveries beginning in September. The calendar cost is \$5.50, which is an allowable project expense for the Department of Housing and Urban Development and the U.S. Department of Agriculture. **OSI**

The following lists this year's national program winners, with their ages at the time of submission, grade completed in June 2024, contest category, the community where they live, the management company, and name of the AHMA that submitted their artwork:

GRAND PRIZEWINNER

Lily Morway, 16; 10th Grade; Stratton Hill Park, Worcester, Mass.; Beacon Communities LLC; NEAHMA

MONTHS

Haneen Amer, 17; 12th Grade; Winteringham Village, Toms River, N.J.; The Michaels Organization; JAHMA

Jeremiah Bonner, 8; Second Grade; Plaza Manor Apartments, Jacksonville, N.C.; Westminster Company; SAHMA

Janette Flowers, 71; Seniors & Residents with Special Needs; Wesley at Murray, Murray, Ky.; Wesley Living; SAHMA

Ravnoor K. Heyer, 10; Fourth Grade; Los Robles Apartments, Union City, Calif.; EAH Housing; AHMA-NCH

Denise N. Julian, 62; Seniors & Residents with Special Needs; Greenwoods, Brockton, Mass.; First Realty Management; NEAHMA

Gabriella Koranteng, 8; Third Grade; Stratton Hill Park, Worcester, Mass.; Beacon Communities LLC; NEAHMA

Kaya Lopez, 14; Eighth Grade; Council Groves Apartments, Missoula, Mont.; Tamarack Property Management Co.; Rocky Mountain Heartland AHMA

Joeliz Mateo Torres, 16; Ninth Grade; Res. Rafael Hernandez, Mayaguez, Puerto Rico; J.A. Machuca & Associates, Inc.; SAHMA

Lizandra Montero, 16; 11th Grade; Lakeside Towers, Miami, Fla.; Royal American Management; SAHMA

Dylan Newton, 11; Sixth Grade; Ten Fifty B Apartments, San Diego, Calif.; Solari Enterprises, Inc.; AHMA-PSW

Noah Said Rodriguez-Garcia, 6; Kindergarten; Res. Las Americas, Lajas, Puerto Rico; J.A. Machuca & Associates, Inc.; SAHMA

Sabaythip Siriphone, 57; Seniors & Residents with Special Needs; Ten Fifty B Apartments, San Diego, Calif.; Solari Enterprises, Inc.; AHMA-PSW

Valentina Villarreal, 7; First Grade; Casa Imperial, Calexico, Calif.; Solari Enterprises, Inc.; AHMA-PSW

HONORABLE MENTIONS

Marie Crouch, 63; Seniors & Residents with Special Needs; Charles Major Manor, Shelbyville, Ind.; Retirement Housing Foundation; MAHMA

Treyvon Dones, 13; Eighth Grade; Moorhead Manor, Moorhead, Miss.; The Michaels Organization; SAHMA

Ruby Lopez, 12; Sixth Grade; Council Groves Apartments, Missoula, Mont.; Tamarack Property Management Co.; Rocky Mountain Heartland AHMA

Hailey Richardson, 15; Ninth Grade; Bavarian Manor, New Braunfels, Texas; Prospera Housing and Community Services; SWAHMA

Patricia Ruskin, 70ish; Seniors & Residents with Special Needs; Beechview Manor, Pittsburgh, Penn.; Christian Housing, Inc.; PAHMA

Maria Zendejas, 59; Seniors & Residents with Special Needs; Casa Imperial, Calexico, Calif.; Solari Enterprises, Inc.; AHMA-PSW

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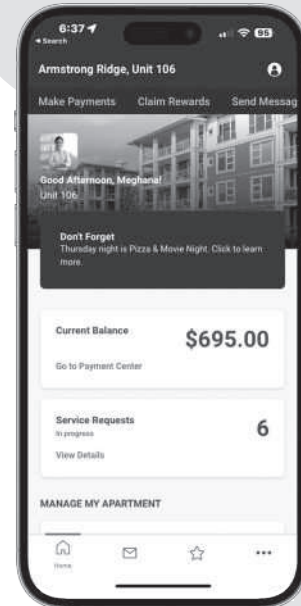
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Guidance Available on Use Of Artificial Intelligence

PROPERTY MANAGEMENT | FAIR HOUSING

In May, HUD released two guidance documents addressing the application of the Fair Housing Act to two areas in which the use of artificial intelligence (AI) poses particular concerns: the tenant screening process and its application to the advertising of housing opportunities through online platforms that use targeted ads.

SCREENING OF APPLICANTS

The tenant screening guidance describes fair housing issues created by tenant screening practices, including the increasing use of third-party screening companies to aid with tenant screening decisions and the emerging use of machine learning and artificial intelligence. The guidance also suggests best practices for fair, transparent, and nondiscriminatory tenant screening policies for housing providers and companies offering tenant screening services.

The tenant screening guidance said that the use of third-party screening companies, including those that use AI or other advanced technologies, must comply with the Fair Housing Act and ensure that all housing applicants are given an equal opportunity to be evaluated on their merit.

HUD said housing providers should adopt screening policies that are clear, detailed, and publicly available and only use tenant screening services that will help them implement these policies. Customizing the criteria, standards, and weights being used, rather than purchasing an off-the-shelf product, can help ensure screen-

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RESOURCES

[Guidance on Application of the Fair Housing Act to the Screening of Applicants for Rental Housing](#)

[Guidance on Application of the Fair Housing Act to the Advertising of Housing, Credit, and Other Real Estate-Related Transactions through Digital Platforms](#)

ings conform to stated policies.

HUD further said that when a housing provider receives a screening report with a denial recommendation, the housing provider should determine whether, under their screening policies, the information in the report is disqualifying. If not, the housing provider should accept an applicant notwithstanding the denial recommendation and consider contacting the screening company to adjust the grounds for denial recommendations going forward.

In selecting a tenant screening company, housing providers should inquire into how the company ensures its screenings are accurate and nondiscriminatory. Housing providers should select screening services that offer customizability, frequently update their data, monitor for unjustified discriminatory effects, report clear and specific reasons for denials, allow individuals to correct inaccuracies, publicly disclose key details about their screening systems, and comply with all applicable federal, state, and local laws, HUD recommended.

As a best practice, according to HUD, tenant screening companies should conduct civil rights monitoring, such as that done routinely by mortgage lenders and others that rely on complex models, to ensure their models comply with the Fair Housing Act. This includes checking inputs for protected characteristics and their close proxies and ensuring constellations of factors are not replicating them. HUD said that even if specific protected characteristics and their more obvious proxies are removed from a model's inputs, machine learning and other forms of AI may compensate for their removal by altering the weights of the remaining factors, thereby recreating the same discriminatory outcomes. Monitoring should also examine whether any datasets used are more inaccurate or incomplete for certain groups than others.

ADVERTISING THROUGH DIGITAL PLATFORMS

Advertisers and online platforms should be aware of the risks of deploying targeting advertisement tools for ads covered by the Fair Housing Act. Violations of the act may occur when certain ad targeting and delivery functions unlawfully deny consumers information about housing opportunities based on the consumers' protected characteristics. Violations of the act may also happen when ad targeting and delivery functions are used, based on protected characteristics, to target vulnerable consumers for predatory products or services, display content that could discourage or deter potential consumers, or charge different amounts for delivered advertisements.

HUD recommended advertisers should:

- Utilize ad platforms that are taking steps to manage the risk of discriminatory delivery of housing-related ads through audience selection tools and algorithmic functions. Before using an ad platform, advertisers should ensure that they obtain the necessary information and disclosures from the ad platform regarding how the platform mitigates these risks.
- Follow ad platform instructions to ensure that advertisements related to housing are identified as such to the ad platform, enabling the appropriate treatment.
- Carefully consider the source and analyze the composition of audience datasets used for custom and mirror audience tools for housing-related ads to mitigate the risk of generating discriminatory target audiences and make considered use of any tools provided by the ad platform for evaluating the projected demographics of a targeted audience.
- Monitor outcomes of advertising campaigns for housing-related ads, to the extent possible, to identify and mitigate discriminatory outcomes. **OSI**

CONGRESS INTRODUCES LEGISLATION TO CLARIFY TAX STATUS OF GSES

Sens. Jerry Moran (R-KS), Mark Warner (D-VA), and Todd Young (R-IN) and Reps. Darin LaHood (R-IL) and Dan Kildee (D-MI) introduced bipartisan, bicameral legislation clarifying that the Government Sponsored Enterprises Fannie Mae and Freddie Mac are not tax-exempt controlled entities and thus may invest in multi-investor Housing Credit funds without negatively impacting the tax benefits available to all investors in those funds. Multi-investor Housing Credit funds are particularly critical for investments in smaller, rural areas; thus, GSE investment in those funds is consistent with Fannie's and Freddie's Duty to Serve.

To read the article, visit [Senators, House Members Introduce Legislation to Clarify Tax Status of GSEs, Optimize Their Investment in Rural Areas](#).

Article courtesy of [National Council of State Housing Agencies](#).

FHFA PROPOSES GOALS FOR FANNIE MAE, FREDDIE MAC

The Federal Housing Finance Agency (FHFA) announced it will issue a proposed rule to establish housing goals for Fannie Mae and Freddie Mac for 2025-2027. The goals include proposed benchmark levels of 61% of all multifamily units in properties financed by mortgages purchased by Fannie and Freddie for low-income residents, with 14% for very-low-income and 2% for low-income small properties (five to 50 units) as a subgoal.

To read the article, visit [FHFA Proposes 2025-2027 Multifamily Housing Goals for Fannie Mae, Freddie Mac](#).

Article courtesy of [Novogradac & Company LLP](#).

HUD PUBLISHES REVISED HAP ASSIGNMENT FORM

The HUD Office of Multifamily Housing Programs published a [standard form](#) for the Assignment, Assumption, and Amendment of Section 8 Housing Assistance Payments Contracts. This form went through a public

comment process in December 2022 and February 2023. The Office of Management and Budget has finalized the form. This form is now required for any Section 8 Project-Based Rental Assistance (PBRA) Housing Assistance Payments (HAP) contract assignment.

HUD AWARDS GRANTS TO HOUSING AGENCIES

HUD awarded \$138.5 million in grants for more than a dozen state housing agencies to expand the supply of housing and supportive services for low-income persons with disabilities across America. Funding made possible by HUD's [Section 811 Project Rental Assistance \(PRA\) for Persons with Disabilities program](#) will allow 18 state housing agencies to develop strategies to identify and refer low-income persons with disabilities to eligible homes and to provide them with rental assistance and supportive services.

USDA RURAL DEVELOPMENT ANNUAL PROPOSED BUDGET SUBMISSION

In preparation for the 2025 annual proposed budget submission process, Rural Development (RD) remains committed to ensuring stakeholders have the necessary resources to maintain the physical and financial health of the properties within the Multifamily Housing portfolio.

To ensure a streamlined and efficient budget cycle, RD conducted [proposed budget training for stakeholders](#). The training covered Form RD 3560-7, Multifamily Housing Project Budget, line by line and provided insight into the agency's review process. Additionally, RD remains ready to provide technical assistance to maintain a successful partnership between the agency and its stakeholders.

A complete and sortable list of property assignments is available by clicking on the link under Multifamily Housing 514 & 515 Property Assignments here: <https://www.sc.e.gov.usda.gov/data/MFH.html>.

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SENATORS INTRODUCE BIPARTISAN LEGISLATION TO BOOST RURAL AFFORDABLE HOUSING INVESTMENTS

Sens. Jerry Moran (R-KS), Mark Warner (D-VA), and Todd Young (R-IN), along with Reps. Darin LaHood (R-IL) and Dan Kildee (D-MI) introduced new legislation to amend the Internal Revenue Code, ensuring that Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac can participate in partnerships critical for low-income housing investments.

In 2023, Sens. Moran and Warner, with the support of 20 colleagues, urged Treasury Secretary Janet Yellen to provide clear guidance confirming that Fannie Mae and Freddie Mac are not Tax-Exempt Controlled Entities (TECEs). The current tax code stipulates that investors partnering with TECEs are not entitled to certain benefits, such as accelerated depreciation, historic rehab tax credits, or energy credits that support

affordable housing. The new legislation aims to clarify that Fannie Mae and Freddie Mac are not subject to these limitations, thereby protecting their role in crucial housing partnerships.

Read the [press release](#).

MULTIFAMILY POSTS DRAFT NOTICE TO CLOSE THE QUALIFIED CONTRACT LOOPHOLE IN THE LIHTC HOUSING

HUD’s Office of Multifamily Housing Programs is seeking feedback on the [Multi-family Drafting Table](#) from stakeholders regarding new guidance that would require applicants for Federal Housing Administration (FHA) Multifamily rental and Risk Share transactions to waive their qualified contract option for Low-Income Housing Tax Credits (LIHTC) according to 26 U.S. Code § 42.

Please follow the instructions in the [Response Worksheet](#) to provide your comments and email the worksheet to [HSNG](#)

MF_ProductionOffice@HUD.gov.

The deadline for responses is Friday, Sept. 20.

SENATOR INTRODUCES LEGISLATION TO ADDRESS HOUSING CONSTRUCTION WORKFORCE SHORTAGE

Sen. Jacky Rosen (D-NV) has introduced the Creating Opportunities for New Skills Training at Rural and Underserved Colleges and Trade Schools (CONSTRUCTS) Act ([S.4980](#)), aimed at increasing the housing supply by addressing the shortage of skilled residential construction workers. The CONSTRUCTS Act proposes a new competitive grant program through the Department of Labor to fund residential housing construction education and skills training programs at community colleges and career and technical education schools.

Read the [press release](#). **OSI**

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