

National Standards for Physical Inspection of Real Estate (NSPIRE)

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Administering Agency: HUD's Real Estate Assessment Center (REAC)

Year Started: 2023

See Also: Refer also to *Advocates' Guide* articles regarding the primary HUD programs affected by the new NSPIRE regulations and procedures are: *Public Housing, Project-Based Rental Assistance, Housing Choice Vouchers, Project-Based Vouchers, Section 202 Supportive Housing for the Elderly, Section 811 Supportive Housing for Persons with Disabilities, HOME Investment Partnerships Program, national Housing Trust Fund, Emergency Solutions Grants (ESG), Housing for Persons with AIDS (HOPWA), and Continuum of Care (CoC)* programs.

General Summary

On October 29, 2018, HUD announced that it had begun an internal review of its Real Estate Assessment Center (REAC) physical inspection protocol that used the Uniform Physical Condition Standards (UPCS) system for 20 years. HUD found that UPCS and the Housing Quality Standards (HQS, used primarily by the Housing Choice Voucher program) provided inaccurate and inconsistent results. HUD also identified disproportionate emphasis on physical inspections around the appearance of items that were otherwise safe and functional, while inadequate attention was paid to health and safety conditions. HUD concluded that the existing standards needed to focus on habitability and the residential use of structures – most importantly on the health and safety of residents. In August 2019, HUD sought public housing agencies (PHAs) and owners of private HUD-assisted multifamily properties to volunteer for a pilot project

to test out what would eventually become The National Standards for Physical Inspection of Real Estate (NSPIRE).

NSPIRE is a protocol intended to align, consolidate, and improve the physical inspection regulations that apply to multiple HUD-assisted housing programs (24 CFR part 5, subpart G). NSPIRE replaces the UPCS developed in the 1990s and absorbs much of the HQS regulations developed in the 1970s. NSPIRE physical inspections focus on three areas: the housing units where HUD-assisted residents live, elements of their building's non-residential interiors, and the outside of buildings, ensuring that components of these three areas are "functionally adequate, operable, and free of health and safety hazards."

NSPIRE applies to all HUD housing previously inspected by REAC, including Public Housing and Multifamily Housing programs such as Section 8 Project-Based Rental Assistance (PBRA), Section 202 Supportive Housing for the Elderly, Section 811 Supportive Housing for Persons with Disabilities, and FHA Insured multifamily housing. NSPIRE also applies to HUD programs previously inspected using the Housing Quality Standards (HQS) regulations: the Housing Choice Voucher program (including Project-Based Vouchers, PBVs) and the programs administered by HUD's Office of Community Planning and Development (CPD) – HOME Investment Partnerships (HOME), national Housing Trust Fund (HTF), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Solutions Grants (ESG), and Continuum of Care (CoC) homelessness assistance programs.

HUD published a [proposed rule: https://bit.ly/4iyFU6](https://bit.ly/4iyFU6) on January 13, 2021 with NLIHC sub-

mitting [comments: https://nlihc.org/sites/default/files/NLIHC_REAC_NSPIRE_Comment_Letter.pdf](https://nlihc.org/sites/default/files/NLIHC_REAC_NSPIRE_Comment_Letter.pdf) on March 22, 2021. A [final rule: https://bit.ly/3RxtUvK](https://bit.ly/3RxtUvK) implementing NSPIRE was published in the *Federal Register* May 11, 2023.

HUD published three “Subordinate Notices” that supplement the final rule addressing NSPIRE “standards,” “scoring,” and “administration.” The intent of issuing the subordinate Notices instead of incorporating their content in regulation is to enable HUD to more readily provide updates as appropriate. Summaries of each are presented following the “Summary of Key Final NSPIRE Provisions” section of this article.

HUD’s Office of Community Planning and Development (CPD) will issue separate notices (“CPD NSPIRE Notices”) to implement the rule for the individual CPD programs, which generally do not adopt the methods in the Subordinate Notices.

HUD will also issue a notice to provide guidance for the Small Rural PHA Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) scoring processes.

The new inspection protocol started July 1, 2023 for public housing and October 1, 2023 for the various programs of HUD’s Office of Multifamily Housing Programs, such as PBRA, Section 202 and Section 811. The Housing Choice Voucher (HCV) and Project-Based Voucher programs as well as the CPD programs will not need to implement the NSPIRE changes until October 1, 2025, (postponed from October 1, 2024), although a PHA could voluntarily implement NSPIRE before then.

Highlights of the Final NSPIRE Rule

Housing quality regulations across multiple HUD programs are consolidated into one location at [24 CFR part 5, subpart G: https://bit.ly/4i-](https://www.ecfr.gov/current/title-24/chapter-I/subchapter-G/part-5)

[AuhAK](https://www.ecfr.gov/current/title-24/chapter-I/subchapter-G/part-5). However, these regulations “may” be supplemented by program-specific regulations, such as those pertaining to the frequency of inspections, who performs the inspections, and whether alternative inspections are available. When there is a conflict between 24 CFR part 5 and program-specific regulations, the program-specific regulations govern.

Most of the alignment of inspection protocols, processes, and procedures involve Public Housing and the Multifamily programs: Section 8 PBRA, Section 202 Supportive Housing for the Elderly, and Section 811 Supportive Housing for Persons with Disabilities. Also included are various programs that involve housing with mortgages insured or held by HUD or that receive HUD assistance, such as Section 221(d)(3) BMIR and Section 236.

The final rule aligns to the maximum extent possible the Housing Choice Voucher (HCV) programs – Tenant-Based Vouchers (TBVs) and Project-Based Vouchers (PBVs) – which previously used Housing Quality Standards (HQS). Because they previously pointed to HQS, programs administered by CPD are also included in the final NSPIRE rule: HOME Investment Partnerships (HOME), national Housing Trust Fund (HTF), Emergency Solutions Grants (ESG), HOPWA, and Continuum of Care (CoC).

NSPIRE physical inspections focus on three areas: the housing units where HUD-assisted residents live, elements of their building’s non-residential interiors, and the outside of buildings, ensuring that components of these three areas are “functionally adequate, operable, and free of health and safety hazards.”

Summary of Key Final NSPIRE Provisions

The [final NSPIRE rule: https://bit.ly/3RxtUvK](https://www.ecfr.gov/current/title-24/chapter-I/subchapter-G/part-5) was published in the *Federal Register* May 11, 2023. NLIHC prepared a [comparison: https://bit.ly/3RzIZNp](https://www.ecfr.gov/current/title-24/chapter-I/subchapter-G/part-5) of key [recommendations: https://](https://www.ecfr.gov/current/title-24/chapter-I/subchapter-G/part-5)

nlihc.org/sites/default/files/NLIHC_REAC_NSPIRE_Comment_Letter.pdf regarding the proposed NSPIRE rule: <https://bit.ly/4iyFU6> (January 13, 2021) with the final rule and the HUD’s responses to NLIHC’s recommendations. *This summary does not include all provisions of the final rule.*

SECTION 5.703, NATIONAL STANDARDS FOR THE CONDITION OF HUD HOUSING

§5.703(a) General

NSPIRE physical inspections focus on three areas: the housing units where HUD-assisted residents live, elements of their building’s non-residential interiors, and the outside of buildings, ensuring that components of these three areas are “functionally adequate, operable, and free of health and safety hazards.”

The standards in this section apply to all HUD housing. However, for HCV- and PBV-assisted housing the standards only apply to: a subsidized unit itself; items and components within the primary and secondary means of exit from a unit’s entry door(s) to a public way; common areas related to residential use (such as laundry room and mail room); and the systems equipment that directly services a subsidized unit.

§5.703(b) Inside

Inside (or “inside areas”) refers to the *common areas and building systems* generally found within a residential building’s interior that are not inside a unit. Some examples of *common areas* in the final rule include: halls, corridors, stairs, community rooms, daycare rooms, laundry rooms, trash collection areas, basements, utility rooms, mechanical rooms, shared kitchens, and offices. Some examples of *building systems* include: components that provide electricity and water to units, elevators, fire protection, HVAC, and sanitary services.

AFFIRMATIVE REQUIREMENTS – INSIDE AREAS

Each of the three inspection areas have “affirmative requirements.” The preamble to the final rule states that additional detail about the affirmative requirements will be provided in the NSPIRE Standards Notice and the NSPIRE Administrative Notice (discussed later in this article).

The inside area must meet six affirmative requirements:

1. There must be at least one battery-operated or hard-wired smoke detector, in proper working condition, on each level of a property.
2. The inside area of a building must meet or exceed the carbon monoxide detection standards set by HUD through a *Federal Register* notice (this does not apply to housing with a mortgage insured or held by HUD, or Section 202 direct loan housing).
3. Any outlet installed within six feet of a water source must be “ground-fault circuit interrupter” (GFCI) protected.
4. Must have a guardrail when there is an elevated walking surface with a drop-off of 30 inches or more.
5. Must have permanently mounted light fixtures in any kitchen and in each bathroom.
6. May not have unvented space heaters that burn gas, oil, or kerosene.

§5.703(c) Outside

Outside (or “outside areas”) refers to a building site, building exterior components, and any building systems located outside of a building or a unit. Some examples in the final rule include: mailboxes, walkways, lighting, roads, parking lots, storm drainage, fencing, grounds, refuse disposal, play areas and equipment, and non-dwelling buildings. Components on the exterior of a building are also considered outside areas; some examples in the final rule include, doors, fire escapes, lighting, roofs, walls, windows, foundations, and attached porches.

AFFIRMATIVE REQUIREMENTS – OUTSIDE AREAS

1. Outlets installed within six feet of a water source must be “ground-fault circuit interrupter” (GFCI) protected.
2. Must have a guardrail when there is an elevated walking surface with a drop-off of 30 inches or more.

§5.703(d) Units

A unit (a dwelling unit) refers to the interior components of a household’s home. Some examples in the final rule include: bathrooms, kitchen, doors, windows, floors, ceiling, stairs, electrical systems, lighting, switches, electric outlets, HVAC, water heater, smoke detectors, and carbon monoxide devices.

AFFIRMATIVE REQUIREMENTS – UNITS

The dwelling unit must meet eleven affirmative requirements:

1. Must have hot and cold running water in bathrooms and in the kitchen, including an adequate source of safe drinking water in bathrooms and the kitchen.
2. Must have its own bathroom “or sanitary facility” (undefined) that is in proper working condition and usable in privacy. A bathroom must have a sink, a bathtub or shower, and an interior, flushable toilet.
3. Must have at least one battery-operated or hard-wired smoke detector in proper working condition in the following locations:
 - a. On each level of a unit,
 - b. Inside each bedroom,
 - c. Within 21 feet of any door to a bedroom, and
 - d. On the living area side of a door that separates the living area from a smoke detector outside of a bedroom.
4. Must have a living room. It must also have a kitchen area that has a sink, cooking appli-

ance, refrigerator, food preparation area, and food storage area.

5. For HCV or PBV units, there must be at least one bedroom or “living/sleeping room” for each two people (NLHHC opposes counting a living room as a sleeping space).
6. Must meet or exceed carbon monoxide detection standards set by HUD through a *Federal Register* notice (this does not apply to housing with a mortgage insured or held by HUD, or Section 202 direct loan housing).
7. Must have two working outlets or one working outlet and a permanent light in all habitable rooms.
8. Outlets installed within six feet of a water source must be “ground-fault circuit interrupter” (GFCI) protected.
9. In HUD-designated geographies, must have a permanently installed heating source, and no units may have unvented space heaters that burn gas, oil, or kerosene.
10. Must have a guardrail when there is an elevated walking surface with a drop-off of 30 inches or more.

Must have a permanently mounted light fixture in the kitchen and each bathroom.

§5.703(e) Health and Safety Concerns

In general, a unit, the inside, and the outside must be free of health and safety hazards that pose a danger to residents. Types of health and safety concerns include: lead-based paint, mold, carbon monoxide, electrical hazards, flammable materials or other fire hazards, infestation, garbage and debris, structural soundness and extreme temperature. Housing must comply with all requirements related to the evaluation and control of lead-based paint hazards and have available documentation to prove that the housing is in compliance (see [24 CFR part 35: https://bit.ly/4iyp9gE](https://bit.ly/4iyp9gE)).

Even though NSPIRE implementation was postponed until October 1, 2025 (except for public housing and Multifamily projects), the carbon monoxide detectors requirement took effect and became an inspectable item on December 27, 2022. PHAs may directly follow the [NSPIRE Carbon Monoxide Standard or use Notice PIH 2022-01: https://bit.ly/42Ut8OS](https://bit.ly/42Ut8OS) for additional guidance. PHAs are already required to comply with the “Fire Safety Act of 1992” and keep their HQS inspections current with the National Fire Safety Protection Association (NFPA) Standards. All smoke alarms will be required to either be hard-wired or sealed 10-year battery devices by December 29, 2024.

§5.703(f)

The NSPIRE standards do not supersede state and local housing codes (such as fire, mechanical, plumbing, carbon monoxide, property maintenance, or residential code requirements). All HUD housing (except for HCV and PBV units) must comply with state or local housing codes, but compliance with state or local codes does not determine whether a unit passes HUD standards for HCV or PBV units.

SECTION 5.705, INSPECTION REQUIREMENTS

§5.705(a) Procedures

The entity inspecting a property/unit must identify each deficiency as “Life-Threatening,” “Severe,” “Moderate,” or “Low” as defined in the NSPIRE Scoring Notice (discussed later in this article).

NSPIRE scores deficiencies based on two factors, the “severity” of a defect and the “location” of the defect, such as inside a unit, inside buildings (e.g., corridors, community rooms and mechanical rooms), and outside areas (e.g., fences, parking lots, and sidewalks). Regarding severity, UPCS provided letter designations (e.g., a, b, c) to indicate the presence of

“exigent health and safety defects.” NSPIRE replaces the letter designations with “Defect Severity Categories:”

- Life-Threatening (LT): there is a high risk of death, severe illness, or injury to a resident.
- Severe:
 - ◀ There is a high risk of permanent disability or serious injury or illness to a resident.
 - ◀ There are deficiencies that would seriously compromise the physical security or safety of a resident or their property.
- Moderate:
 - ◀ There is a moderate risk of an adverse medical event requiring a healthcare visit, causing temporary harm, or if left untreated causing or worsening a chronic condition that may have long-lasting adverse health effects.
 - ◀ There are deficiencies that would compromise the physical security or safety of a resident or their property.
- Low: There are deficiencies critical to habitability but do not present a substantive health or safety risk.

§5.705(b) Entity Conducting Inspections

This subsection describes details regarding which entity is responsible for performing inspections according to various formal provisions. Public housing agencies (PHAs) must inspect HCV and PBV units.

§5.705(c) Timing of Inspections

§5.705(c)(1) General

A property must be inspected before it is approved for participation in any HUD housing program.

§5.705(c)(2), *Extended Inspection Cycle*

Standard 1 Performing Property is one that receives an NSPIRE score of 90 points or more.

It will be inspected once every three years.

Standard 2 Performing Property is one that receives an NSPIRE score of 80 points or more but fewer than 90 points. It will be inspected once every two years.

Standard 3 Performing Property is one that receives an NSPIRE score of less than 80 points. It will be inspected annually.

HCV units must be inspected by a PHA every two years ([24 CFR 982.405: https://bit.ly/4IRD-HuK](#)). PBV properties must have a sample of units inspected by a PHA every two years ([24 CFR 983.101: https://bit.ly/3YbgHg0](#)).

Small rural PHAs and other small PHAs are to be inspected every three years (see more about Small rural PHAs at the end of this summary).

§5.705(f) Tenant Involvement in Inspections

“HUD will establish, through notice, a procedure for tenants to recommend to HUD particular units which HUD may choose to inspect either during or separate from its standard inspection. HUD will evaluate the condition of these units and issue a report on findings, *but they will not be included in the official score unless they were randomly selected independent of the tenant’s recommendation*. The owner or PHA is required to correct any deficiency HUD identifies within the timeframes HUD has established for the identified deficiency.”

NLIHC comments that a procedure for tenants to recommend units for inspection should have been devised, with input from tenant organizations, along with the final NSPIRE rule. This was discussed early in the NSPIRE demonstration and tenant organizations urged this even before the NSPIRE demonstration was created. Any tenant-suggested units should be included in the scoring.

SECTION 5.707, UNIFORM SELF-INSPECTION REQUIREMENT AND REPORT

All PHAs and owners (except for owners of HCV and PBV properties) must self-inspect all assisted units and their properties annually to ensure units meet the §5.703 standards. Owners and PHAs must maintain the results of a self-inspection for three years and must provide the results to HUD upon request. This self-inspection is independent of the HUD inspections in §5.705. The process for performing self-inspections is provided in the NSPIRE Administrative Notice (discussed later in this article).

SECTION 5.709, ADMINISTRATIVE PROCESS FOR DEFINING AND REVISING INSPECTION CRITERIA

HUD published a subordinate NSPIRE Standards Notice (see later in this article) listing deficiencies and the relative severity of these deficiencies to use for inspecting HUD-assisted housing. The Standards Notice also includes the factors for determining whether an HCV or PBV unit passes or fails the inspection. HUD also published a Scoring Notice describing methods for scoring and ranking HUD-assisted housing (see later in this article). HUD will update the standards and Scoring Notices, including any proposed revisions, every three years. These updates will be published in the *Federal Register* and open to public comment for 30 days.

SECTION 5.711, SCORING, RANKING CRITERIA, AND APPEALS

§5.711(a) Applicability

§5.711 does not apply to HCV or PBV. PHAs that administer HCV and PBV will be assessed under the Section Eight Management Assessment Program ([SEMAP: https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/semaph](#)) or the small rural PHA

assessment according to [24 CFR 985](https://www.ecfr.gov/current/title-24/chapter-IX/part-902/subpart-B/chapter-IX/part-902?toc=1): <https://bit.ly/3SbqBul>.

[§902.101](https://www.ecfr.gov/current/title-24/chapter-IX/part-902/subpart-B/chapter-IX/part-902?toc=1): <https://bit.ly/4Lgeel> defines a small rural PHA as one that has 550 or fewer public housing units and/or HCV units in total, and either the PHA's primary administrative building or 50% of its combined public housing and/or voucher units are in a rural area as defined at 12 CFR 1026.35(b)(2)(iv)(A).

[§902.103\(a\)](https://www.ecfr.gov/current/title-24/chapter-IX/part-902/subpart-B/chapter-IX/part-902?toc=1): <https://bit.ly/4itPfRK>: Small rural PHAs shall be assessed and scored based only on the physical condition of their public housing properties in accordance with 24 CFR part 5. (page 202)

[§902.103\(b\)](https://www.ecfr.gov/current/title-24/chapter-IX/part-902/subpart-B/chapter-IX/part-902?toc=1): <https://bit.ly/4itPfRK>: Public housing of small rural PHAs shall be assessed every three years, except "troubled" small rural PHAs shall be assessed annually.

[§985.201](https://www.ecfr.gov/current/title-24/chapter-IX/part-902/subpart-B/chapter-IX/part-902?toc=1): <https://bit.ly/4itO1G7>: Small, rural PHAs are no longer subject to SEMAP requirements; instead they must follow other provisions at §985.203-211. (page 216)

Note: The final NSPIRE rule adds a new [§902 subpart H](https://www.ecfr.gov/current/title-24/chapter-IX/part-902/subpart-B/chapter-IX/part-902?toc=1): <https://bit.ly/4iqhtg9> dealing with small rural PHAs. See the end of this summary for details.

§5.711(b)(2) Public Housing Programs

PHAs operating public housing will be scored and ranked under the Public Housing Assessment System (PHAS) as outlined in [24 CFR part 902](https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-902?toc=1): <https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-902?toc=1>.

§5.711(c) Inspection Report Requirements

§5.711(c)(1) Life-Threatening Deficiencies and Severe Deficiencies

REAC staff (or other appropriate party) will provide a notice to an owner or PHA indicating any items classified as "Life-Threatening" or "Severe" deficiencies.

- All Life-Threatening deficiencies must be corrected within 24 hours.
- All Severe deficiencies must be corrected within 24 hours.

Within two business days after the 24-hour deadline to correct Life-Threatening and Severe deficiencies, an owner or PHA must electronically certify that the Life-Threatening and Severe deficiencies "have been resolved or sufficiently corrected such that they no longer pose a severe health or safety risk to residents of the property or that the hazard is blocked until permanent repairs can be completed."

§5.711(c)(2) Post-Report Inspection

An owner or PHA must review an NSPIRE inspection report and is responsible for conducting its own survey of the total property.

- Moderate deficiencies must be corrected within 30 days.
- Low deficiencies must be corrected within 60 days.

If a property received an NSPIRE score of 60 or more, the survey may be limited to inspecting for deficiencies based on inspection findings. If a property received an NSPIRE score less than 60, an owner or PHA "must" survey the entire project, including all units, inside areas, and outside areas. The purpose of a full inspection for a property with a score less than 60 is to identify additional health and safety defects that were not part of the REAC inspection sample survey. A copy of the survey results must be submitted to HUD.

As previously indicated, the NSPIRE Scoring Notice does not apply to HCV and PBV, so properties with a HCV or PBV household do not receive a numerical score. NSPIRE retains the "pass/fail" indicators used in the HCV and PBV programs.

§5.711(c) Technical Review of Inspection Results

An owner or PHA can request a technical review of REAC inspection results. The request must be received by REAC no later than 45 calendar days following the day the inspection report is provided. This subsection has many technical details for owners and PHAs seeking a technical review.

§5.711(h) Responsibility to Notify Residents of Inspection and Availability of Documents to Residents

§5.711(h)(1) Notification to Residents

An owner or PHA must notify residents of any planned inspection of their units or their housing development generally.

§5.711(h)(2) Availability of Documents for Review

§5.711(h)(2)(i)

Once a final NSPIRE score is issued, an owner or PHA must make the physical inspection report and all related documents available to residents for review and copying during regular business hours – if a “reasonable” request is made. (NLIHC recommended that residents should not be charged for copying; HUD ignored NLIHC’s request.) “Related documents” include an owner’s or PHA’s survey plan, plan of correction, certification, and related correspondence (NLIHC assumes “certification” means an owner/PHA certification that all Life-Threatening and Severe deficiencies have been corrected).

§5.711(h)(2)(ii)

Once a final NSPIRE score is issued and published, an owner or PHA must make any additional information available to residents for review and copying during normal business hours – if a “reasonable” request is made. “Additional information” might include the

results of any reinspection or owner/PHA technical appeal.

§5.711(h)(2)(iii)

An owner or PHA must maintain the documents related to a property’s inspection for review by residents for 60 days from the date HUD provided the inspection score.

§5.711(h)(3) Posting on the Availability of Materials

An owner or PHA must post a notice to residents informing them that the materials described above are available. The notice must be posted in the owner’s or PHA’s management office and on any bulletin boards in all common areas on the date the owner or PHA receives the inspection score. The notice must be translated into other languages if necessary to provide meaningful access for people with limited English proficiency. The notice should include the name, address, and telephone number of the HUD field office contact.

§5.711(h)(4) {does not have a title}

Residents are encouraged to submit comments directly to their [HUD Field Office: https://www.hud.gov/program_offices/field_policy_mgt/localoffices](https://www.hud.gov/program_offices/field_policy_mgt/localoffices) regarding the information provided by an owner or PHA. Residents are encouraged to notify the HUD Field Office if they discover a false certification (that a Life-Threatening or Severe deficiency has not been corrected?).

§5.711(i) Administrative Review of Properties

A property that receives two successive scores less than 60 “may” be referred to HUD’s [Departmental Enforcement Center \(DEC\): https://www.hud.gov/program_offices/enforcement](https://www.hud.gov/program_offices/enforcement) for evaluation. Properties that receive a score of 30 points or less “shall” be automatically referred to the DEC for evaluation.

§5.711(i)(2), *Evaluation of the Property*

During the DEC's evaluation period, DEC will analyze a property, "which may include input from tenants, HUD officials, elected officials, maintenance staff, and others."

Subordinate NSPIRE Notices

NSPIRE PHYSICAL INSPECTION STANDARDS NOTICE

HUD published the new final [NSPIRE\) physical inspection Standards Notice: https://www.govinfo.gov/content/pkg/FR-2023-06-22/pdf/2023-13293.pdf](https://www.govinfo.gov/content/pkg/FR-2023-06-22/pdf/2023-13293.pdf) in the *Federal Register* on June 22, 2023, including a link to 295 pages of detailed "inspectable item: https://www.hud.gov/sites/dfiles/PIH/documents/6092-N-05nspire_final_standards.pdf." HUD will update these Standards at least once every three years, publishing a notice in the *Federal Register* with an opportunity for public comment. The new Standards took effect July 1, 2023.

Each NSPIRE Standard contains: a definition of the standard; its location (in a unit, in a non-residential part of a building, or outside a building); the nature of a potential deficiency and the criteria for determining whether a deficiency exists; the health and safety determination (life-threatening, severe, moderate, or low – as defined in the final rule); the required timeframe to correct a deficiency; and "rationales," the reason a requirement is necessary, describing the potential harm that could result from a given deficiency if left uncorrected. For HCV, each standard also indicates whether the standard passes or fails.

NSPIRE SCORING NOTICE

HUD published [a final physical inspection Scoring Notice: https://bit.ly/4istkud](https://bit.ly/4istkud) in the *Federal Register* on July 7, 2023. NSPIRE scoring is focused on the health and safety of the housing units where residents live, as well as on the functional defects of buildings, while reducing scoring on the appearance of building exteriors.

NLIHC submitted a [comment letter: https://nlihc.org/sites/default/files/NLIHC_Comment_Letter_NSPIRE_Scoring_Notice.pdf](https://nlihc.org/sites/default/files/NLIHC_Comment_Letter_NSPIRE_Scoring_Notice.pdf) in response to a proposed Scoring Notice published in the *Federal Register* on March 28, 2023. The Scoring Notice does not apply to the HCV or PBV programs; NSPIRE retains a pass/fail indicator for the HCV and PBV programs.

The NSPIRE scoring methodology converts observed defects into a numerical score. NSPIRE retains the 0-100 point score for properties inspected by REAC, which considered a failing score to be less than 60 points. Properties with an overall score of 30 or less will automatically be referred to DEC.

For scoring, there are "Fail Thresholds," two situations in which a property will be considered to have failed inspection:

1. The Scoring Notice continues using the UCPS practice of failing a property that has a score less than 60. This is called the "Property Threshold."
2. The Scoring Notice adds a new "Unit Threshold" that fails a property even if it had an overall score of more than 60 – if 30 or more points at the property are deducted due to in-unit deficiencies. This reflects HUD's goal of maximizing the health and safety of residential units.

The Scoring Notice retains the long-standing practice of not scoring smoke detector defects, instead indicating smoke detector defects with an asterisk (*) after a property's overall score. Carbon monoxide device deficiencies are indicated by a plus sign (+) after an NSPIRE score. Carbon monoxide device defects must be corrected within 24 hours.

NSPIRE ADMINISTRATIVE PROCEDURES NOTICE

HUD posted the [Administrative Procedures joint Notice PIH 2023-16/H 2023-07: https://bit.ly/4IKSBTp](https://bit.ly/4IKSBTp) on June 30, 2023. The Notice pro-

vides guidance primarily for those responsible for implementing the physical inspection protocols required by the final NSPIRE rule. Resident leaders and advocates can benefit from familiarity with its contents, much of which is similar to the final rule. HUD's Office of Public and Indian Housing (PIH) also issued [Notice PIH 2023-28: https://www.hud.gov/sites/dfiles/PIH/documents/PIH2023-28.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/PIH2023-28.pdf) on September 29, 2023, finalizing the NSPIRE administrative procedures for the HCV and PBV programs; it is primarily a clarifying document for PHAs.

The final NSPIRE rule at §5.705(f) allows residents to recommend units to be inspected in addition to units randomly selected by official inspectors. The rule states that the resident-selected units will not be considered when determining a property's NSPIRE score – a provision opposed by NLIHC and resident advocates. A PHA or HUD-assisted private property owner or agent (POA) must still correct any deficiencies detected at resident-recommended units.

Section 11 of the Administrative Notice establishes the procedures for carrying out 24 CFR §5.705(f). Approximately 180 days before a property's inspection, "resident groups" are invited to identify units they would like to be added to the official inspection process. An NSPIRE electronic system will randomly select "up to" five of the units recommended by a resident organization to be added to those the NSPIRE system had already randomly chosen for formal inspection. An NSPIRE inspector will conduct a physical inspection of the five resident-recommended units to identify any Life-Threatening, Severe, Moderate, or Low deficiencies (as described in the final NSPIRE Standards Notice). The NSPIRE scores of the five resident-recommended units will not be considered toward a property's official score, unless any of the resident-recommended units were also randomly selected among the units in the HUD-generated NSPIRE inspection sample.

Approximately 15 days after the inspection, HUD's REAC office will provide a property's inspection report to residents (as required in the final rule at §5.711(h)(2)), as well as to the HUD Field Office, PHA, or private owner. Any deficiencies cited at the resident-recommended units must be corrected within the timeframes established in the final NSPIRE Standards Notice: 24 hours for any life-threatening or severe deficiencies, 30 days for moderate deficiencies, and 60 days for low deficiencies. In between NSPIRE inspections, HUD encourages residents to "quickly" report hazards or defects to their landlord, property owner, manager, PHA contact, or PHA Board of Commissioners.

Section 7b of the Administrative Notice states that in advance of a scheduled inspection, PHAs or POAs must notify all residents that their property will be inspected, as described in the final rule at §5.711(h)(1) and the lease. The Administrative Notice suggests that at least seven days of advance notice be provided and that notice be provided using multiple communication methods such as paper notices, email, text messages, and notices posted on doors, in halls, and on community bulletin boards. HUD reminds PHAs (but does not mention POAs) that all materials, notices, and communications regarding the inspections must be clearly communicated and provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities consistent with Section 504 of the "Rehabilitation Act" and Titles II and III of the "Americans with Disabilities Act" (ADA).

NSPIRE Resident Feedback Survey

HUD announced a new [survey: https://survey.fedw1.medallia.com/?HUDInspectionSurvey](https://survey.fedw1.medallia.com/?HUDInspectionSurvey) to obtain feedback from residents whose homes were inspected under the new NSPIRE inspection process. [Notice PIH 2023-24/H-2023-10: https://www.hud.gov/sites/dfiles/PIH/documents/PIH2023-24.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/PIH2023-24.pdf) explains that HUD intends to use a new Inspection Feedback Survey ("Survey")

to identify and address residents' "pain points" about the inspection process and to guide HUD's efforts to improve residents' general satisfaction with their housing conditions. The Survey will not be offered to HCV or PBV residents because PHAs conduct physical inspections for those programs. Project-Based Contract Administrators or HUD inspectors conduct physical inspections for the other programs.

The Survey is designed to take about five minutes, with residents replying to only four questions by indicating "Strongly Agree" to "Strongly Disagree" along a five-point scale for three of them:

- I was present during the HUD inspection process of my unit – yes or no.
- I trust HUD to provide housing that is safe and habitable.
- How would you rate your satisfaction with your housing conditions?
- How would you rate your satisfaction with HUD's inspection process?

There is also an open-ended question enabling residents to indicate whether there is anything else that they would like to share with HUD. If residents respond to the open-ended question indicating persistent conditions that impact the health and safety of residents, HUD might decide to inspect a property.

Under NSPIRE only a random sample of units in a property will be inspected, along with five units recommended by a resident organization; only residents of these units will receive the Survey. [Survey Flyers: https://nlihc.org/sites/default/files/HUD_Inspection_Feedback_Survey_Flyer.pdf](https://nlihc.org/sites/default/files/HUD_Inspection_Feedback_Survey_Flyer.pdf) will be placed by inspectors on a kitchen counter or another noticeable location in an inspected unit. The Survey Flyer has a link and a QR code to the actual survey. Participation in the survey is voluntary and anonymous.

Summary of Small, Rural PHA NSPIRE Provisions

The "Economic Growth and Recovery, Regulatory Relief and Consumer Protection Act" ("Economic Growth Act") was signed into law on May 24, 2018. Section 209 made several amendments to the "Housing Act of 1937" pertaining to small, rural PHAs. HUD published a notice in the *Federal Register* on [February 27, 2020: https://www.govinfo.gov/content/pkg/FR-2020-02-27/pdf/2020-04004.pdf](https://www.govinfo.gov/content/pkg/FR-2020-02-27/pdf/2020-04004.pdf) explaining how HUD designates small, rural PHAs. The rule implements this definition of small, rural PHA as well as a new assessment system for their public housing and HCV programs. HUD states that the Economic Growth Act's focus on inspections, and the legislation's directive to follow the same standards for small, rural public housing as those for projects assisted under the Multifamily Section 8 Project-Based Rental Assistance program, makes the inclusion of the act's provisions in this rule a logical fit.

The final rule creates a new [Subpart H: https://bit.ly/4iqhtg9](https://bit.ly/4iqhtg9) under the current 24 CFR part 902 regulations for HUD's physical assessment of public housing, the Public Housing Assessment System (PHAS). Section 209(a)(2) of the Economic Growth Act defined "small public housing agency" and directed HUD to use the existing definition of "rural area" contained in the regulations governing the Consumer Financial Protection Bureau. In the February 27, 2020 notice, HUD further refined this definition by defining PHAs that "predominantly operate in a rural area" and clarifying that these PHAs would be referred to as "small, rural PHAs" to avoid confusion with other small PHA designations used by HUD.

For More Information

HUD's NSPIRE webpage: https://www.hud.gov/program_offices/public_indian_housing/reac/nspire.