

OFFICE OF PUBLIC & INDIAN HOUSING

July 3, 2023

Dear PHA Executive Directors:

On June 30, 2023, HUD published the "Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE) Administrative Procedures" (PIH Notice 2023-16/H 2023-07). This final Departmental notice implements portions of the <u>NSPIRE</u> final rule that was published May 11, 2023. The NSPIRE final rule ensures that residents of HUD housing live in safe, habitable dwellings, and the items and components located inside, outside, and within the homes are free of health and safety hazards.

The NSPIRE Administrative notice covers the process and operational requirements for Public Housing and Multifamily Housing assisted properties (Section 202, Section 811, Section 202, and housing with mortgages insured or held by HUD) covered by the final rule. It includes what to expect before, during and after an inspection. It contains 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.

Additionally, the NSPIRE Administrative notice outlines roles and responsibilities for HUD's Real Estate Assessment Center (REAC), HUD field office staff, and property representatives from PHAs and Property Owners and/or Agents (POAs). The notice also contains requirements for inspectors performing inspections for REAC under contract.

Effective and Compliance Dates

The NSPIRE final rule will be implemented in phases:

- <u>For Public Housing properties</u>, HUD will commence inspections after July 1, 2023, and will prioritize properties that have not been inspected since normal operations resumed in June 2021 after the pandemic, PHAs with a fiscal year end of March 30 and Troubled PHAs.
- **For the Multifamily Housing programs**, HUD (or the Servicing Mortgagee, as applicable) will commence inspections for participants in the NSPIRE Demonstration after July 1, 2023, and for all other properties starting October 1, 2023.
- For the Housing Choice Voucher (HCV) program, Project Based Voucher (PBV) program, and the programs managed by HUD's Office of Community Planning and Development (CPD), the NSPIRE final rule will be effective October 1, 2023.

This notice provides guidance on the Public Housing and Multifamily Housing programs covered in the final rule. HUD will issue additional Departmental notices to implement the NSPIRE rule for the HCV, PBV, and CPD programs included in the NSPIRE final rule before October 1, 2023.

Inspection Timeframes

For most properties, the frequency of an inspection will be determined by the date of the prior inspection and the score received. Properties that score 90 points or higher will be inspected at least every three years. Properties that score over 80 (but less than 90) will be inspected every two years. Properties that receive less than 80 will be inspected annually. In the first year of NSPIRE final rule's implementation, REAC inspections may occur six months before or after the anniversary date. After that, inspections will generally occur up to three months before or after the anniversary date.

Comments for Future Revisions

The NSPIRE final rule, published on May 11, 2023, aligns and consolidates HUD's inspection standards and procedures for HUD's rental assistance programs. This Administrative notice supplements guidance provided in the <u>NSPIRE Standards notice</u> published on June 22, 2023, and the NSPIRE Scoring notice to be published in the Federal Register. Both the NSPIRE Standards and Scoring notices included an opportunity for public comment, and any subsequent changes will be announced in the Federal Register after public comment. While this Departmental notice is issued as a final Departmental notice, HUD will accept comments sent to <u>NSPIRERegulations@hud.gov</u>, and consider these comments for future revisions and operational guidance.

Helping PHAs Implement NSPIRE

HUD has developed training that includes a combination of PowerPoint presentations, infographics as well as <u>instructional videos</u> that are posted on the <u>NSPIRE website</u>. For more information on NSPIRE, visit the <u>NSPIRE homepage</u>. Questions can be sent to <u>NSPIRE@hud.gov</u>.

Collectively, we all have vital roles to ensure HUD residents live in safe homes. We look forward to continuing to collaborate with you as HUD continues to implement and refine NSPIRE. We thank you for your continued diligence and partnership as we strengthen our work to improve the lives of the families we serve each day.

Many thanks,

Richard J. Monorchio

Richard J. Monocchio Principal Deputy Assistant Secretary Office of Public and Indian Housing

We hope you enjoy receiving these messages from HUD's Office of Public and Indian Housing.

Public Housing Agency contact information is retrieved from HUD's Public Housing Information Center (PIC). If your agency's contact information is out of date, please update PIC with the correct contact information. We update our email lists from PIC twice a month, so you should see your change reflected after two weeks.

Thank you for furthering HUD's mission in the communities you serve.