



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

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Minnesota NAHRO

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NSPIRE

Policy

Tara Radosevich, Title



Introduction



- HUD's National Standards for the Physical Inspection of Real Estate **(NSPIRE) replaces** the Uniform Physical Condition standards (UPCS) and Housing Quality Standards (HQS) in HUD regulations
- The NSPIRE final rule:
 - Revised 24 CFR Part 5 Subpart G - Physical Condition Standards and Inspection Requirements
 - Replaced the term "UPCS" in the regulations and associated guidance
 - Re-defined the term "HQS" to be synonymous with HUD's Part 5 Subpart G regulations

Note: HUD's section of the Code of Federal Regulations (CFR) is Title 24 and is often referenced as 24 CFR





Final Rule & Standards



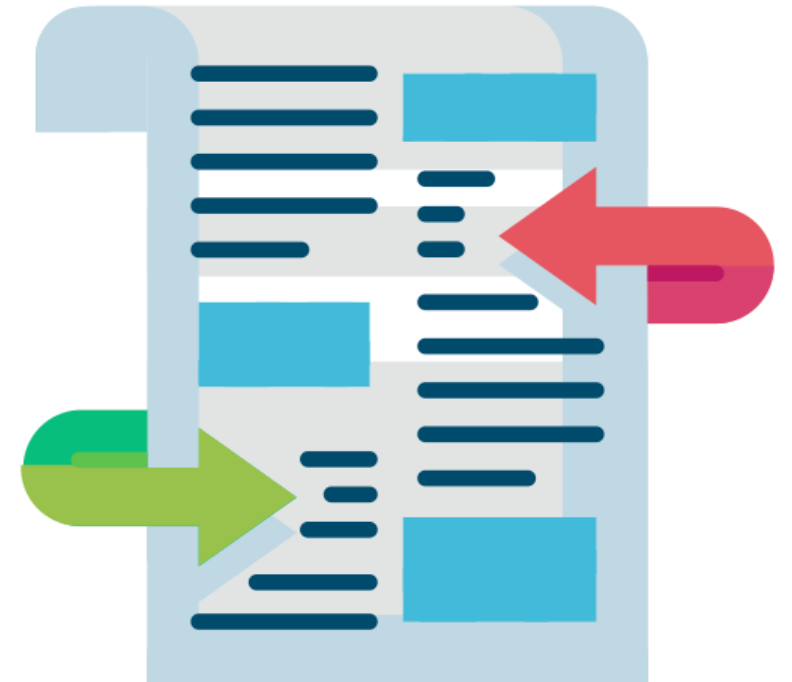
HUD published a proposed rule in January 2021 and NSPIRE standards for public comment in June 2022 with comments due August 2022. On May 11, 2023, HUD published the final NSPIRE rule that introduced changes to inspections for the Public Housing and Multifamily Housing programs. The rule and standards seek to:

- Require the same health and safety standards for all HUD housing portfolios, including privately owned properties where HUD-assisted residents reside (e.g., vouchers)
- Specify 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
- Require an annual self-inspection and reporting requirement for public and Multifamily housing program properties
- Outline the NSPIRE framework including standards and administrative processes such as appeals and enforcement for REAC-performed inspections
- Revise the approach to scoring of REAC-performed inspections

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. Some new items to take note of include the following:

- Standards review process at least every 3 years
- "Affirmatives" in regulation (e.g., 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 but collected only if score <60
- Administrative referrals to the DEC for scores 30 and below, or two successive scores <60



Changes from UPCS to NSPIRE

Mastering the NSPIRE standards will require learning a new framework

- **More Emphasis on:**

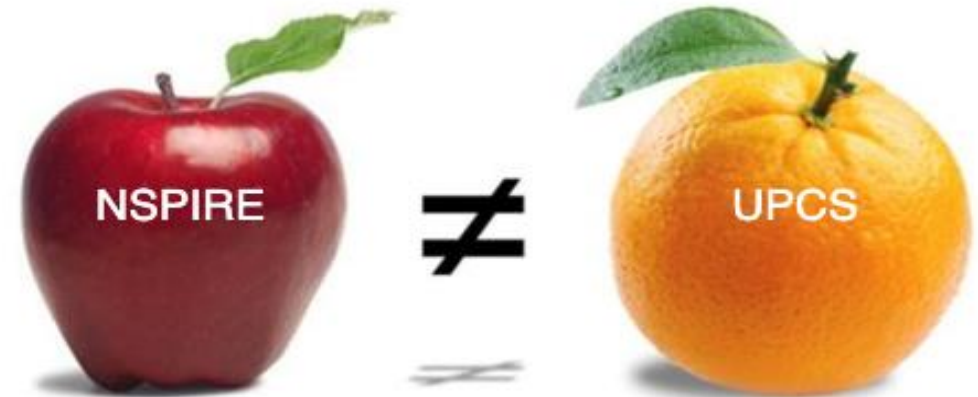
- Health, safety, and functional defects
- Areas that impact residents – their units

- **Less Emphasis on:**

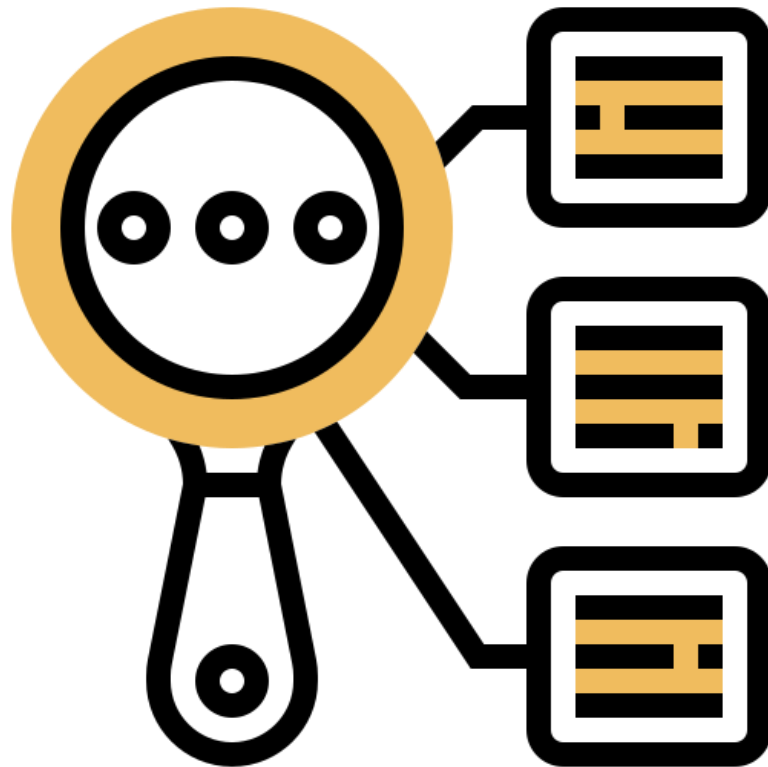
- Condition and appearance defects
- Inspectable areas outside units

- **Objective Deficiency Criteria**

- Criticality levels do not exist within NSPIRE
- Removed subjective deficiency criteria based on feedback



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 and feedback.

- Published on June 22, 2023
- Full Standards Notice found on the [Federal Register](#)

Administrative Notice



HUD published the NSPIRE Administrative notice on June 30, 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

Deficiencies under NSPIRE Standards require correction within 24 hours for Life-Threatening and Severe cases, 30 days for Moderate, and 60 days for Low deficiencies.



PHAs and POAs must provide evidence of deficiency corrections, which can include work orders, invoices, or photos that match HUD's evidence

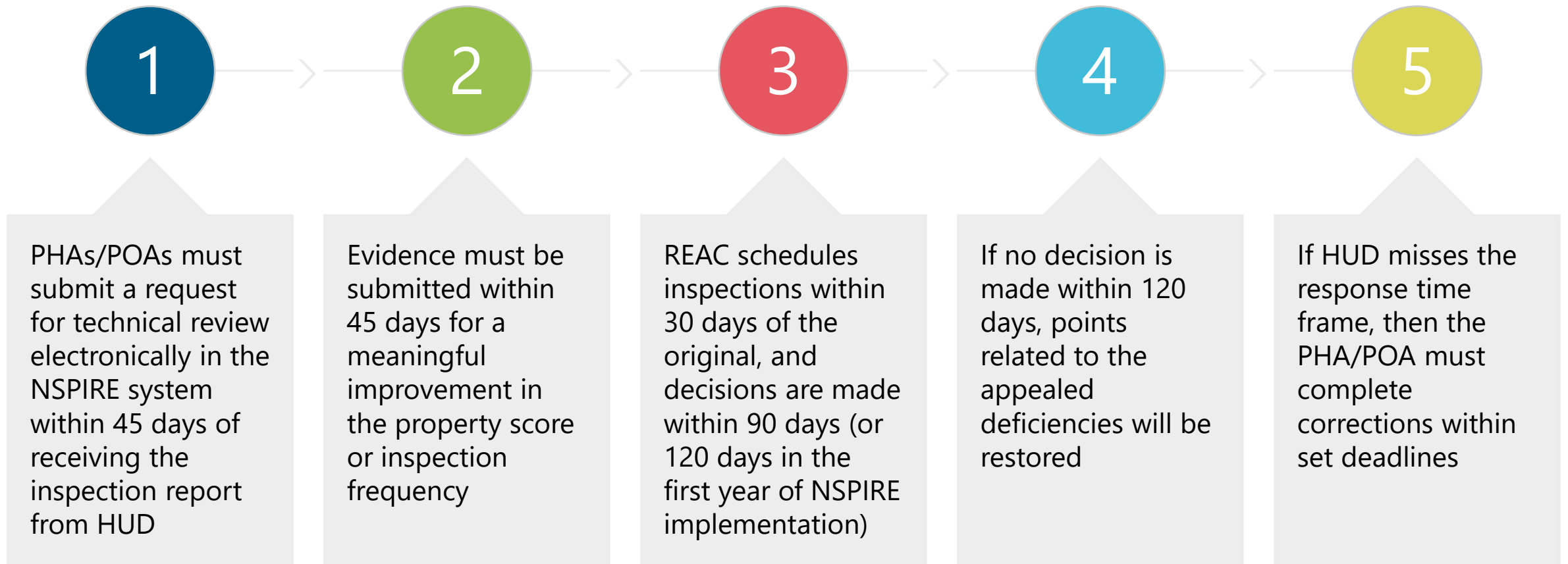


If a correction exceeds the allowable time, a timeframe must be provided for HUD approval, and the correction is considered completed only after resolving the deficiency



PHAs and POAs may address multiple deficiencies simultaneously but must provide accurate evidence to avoid penalties for false statements

Technical Review Process



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 7, 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





Defect Examples





| | Outside | Inside | Unit |
|-------------------------|--|---|--|
| Life-Threatening | Gas dryer exhaust ventilation system has restricted airflow. | Structural system exhibits signs of serious failure. | Natural gas, propane, or oil leak. |
| Severe | Leak in sewage system. | A sharp edge that can result in a cut or puncture hazard is present. | Entry door cannot be secured. |
| Moderate | Trip hazard on walking surface. | Garage door does not open, close, or remain open or closed. | Sink is not draining. |
| Low | Water runoff is unable to flow through the site drainage system. | Refrigerator component is damaged such that it impacts functionality. | A passage door component is damaged, inoperable, or missing and the door is not functionally adequate. |

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*



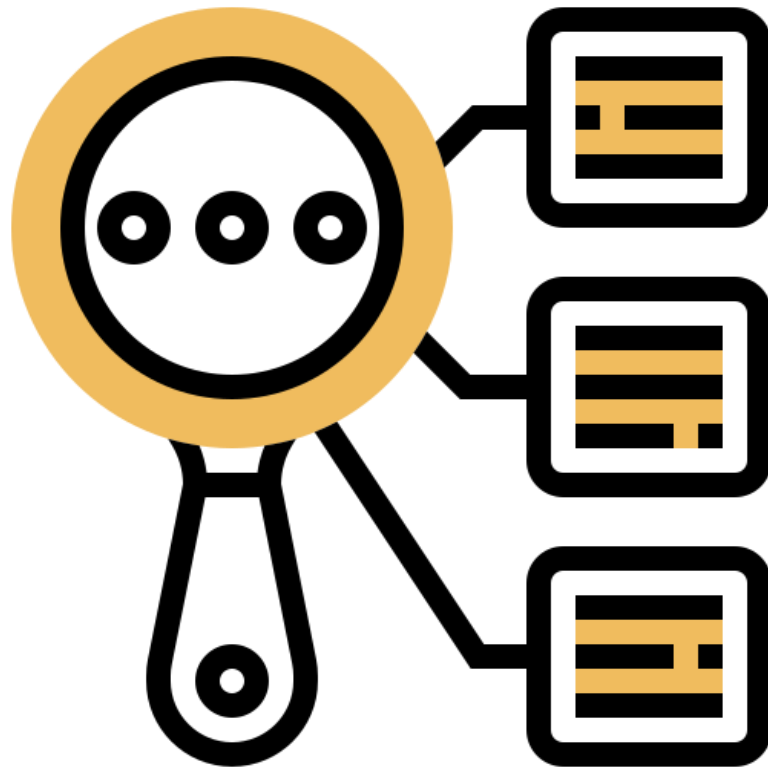


NSPIRE

NSPIRE Standards

Eugene Humphrey, Construction Analyst, Quality Assurance Inspector

Standards Notice



The Standards Notice detailed 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 and feedback.

- Published on June 22, 2023
- Full Standards Notice found on the [Federal Register](#)
- REAC web versions should be duplicates of FRN Attachment



Changes from HQS to NSPIRE



Mastering the NSPIRE standards will require learning a new framework

- **More Emphasis on:**
 - Health, safety, and functional defects
 - Areas that impact residents – their units
- **Less Emphasis on:**
 - Condition and appearance defects
 - Inspectable areas outside units
- **Objective Deficiency Criteria**
 - Removed subjective deficiency criteria
 - Less inspector discretion

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.

Inspectable Areas



Unit

A “Unit” of housing refers to the interior components of an individual dwelling, where the resident lives.

Inside

“Inside” refers to the common areas and building systems within the building interior and are not inside a unit. This could include interior laundry facilities, workout rooms, etc.

Outside

“Outside” refers to the building site, building exterior components, and any building systems located outside of the building or unit. This includes things like sidewalks, parking lots, and retaining walls.

Unit



Inside

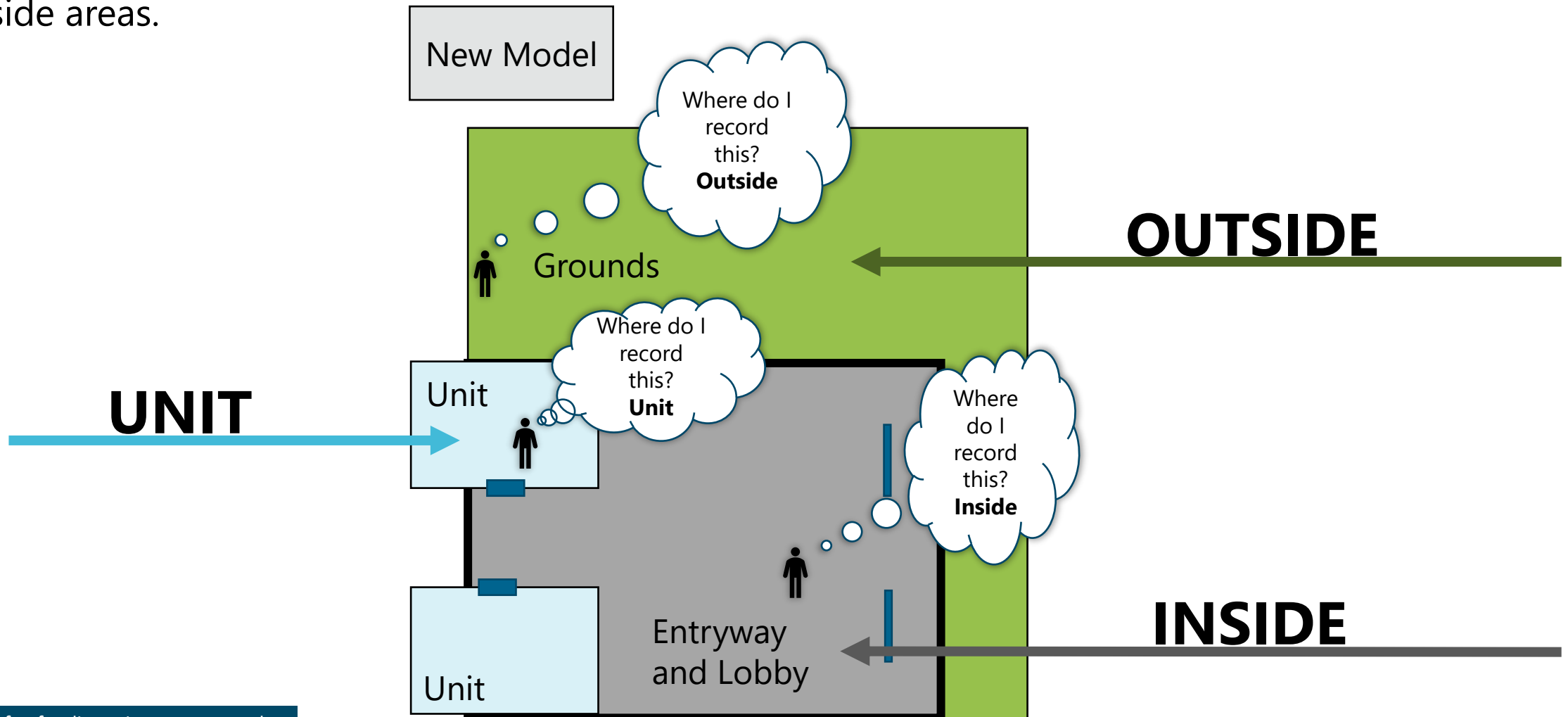


Outside



Inspectable Areas Cont.

The model below illustrates the appropriate inspectable areas, which includes the unit, inside, and outside areas.



Core Health & Safety Focus



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



NSPIRE improves fire safety standards in several ways from HQS



- ✓ Implementation of National Fire Protection Association (NFPA) 72
- ✓ Minimum temperature requirement
- ✓ Permanent heating source requirement
- ✓ Prohibition of unvented space heaters
- ✓ New fire sprinkler defects related to the proper functioning of these systems
- ✓ GFCIs, AFCIs, CO alarms, dryer exhaust, and electrical outlets
- ✓ More stringent & specific fire door requirements

Addressing Fire Safety Cont.

NSPIRE conforms with (NFPA 72)

- NFPA 72 is the preeminent national standard for smoke alarms and fire and existing Housing Quality Standards for vouchers align with this standard

NSPIRE Smoke Alarm Standards Conform with 2019 NFPA 72 Requiring:

At least one working smoke alarm installed on every level of property



At least one working smoke alarm installed outside every sleeping area



At least one working smoke alarm installed inside each sleeping area



- Lack of conformance with the NSPIRE smoke alarm standard requires mitigation within 24 hours

At the end of 2024 new smoke alarm requirements will be in effect

- Should be hardwired or sealed 10yr battery unit – December 2024

Addressing Fire Safety Cont.

Properly functioning and safe heating systems are critical to maintain healthy unit temperatures and prevent fires in public housing

Housing Opportunity through Modernization Act directed HUD to set minimum temperature standards

- PIH Notice 2018-19 set a minimum heating temperature standard for public housing
- The PIH notice set 68 degrees, which is carried over into NSPIRE

NSPIRE Standards contain the heating source & space heater requirements

Addressing Fire Safety Cont.

Properly functioning fire doors are critical to slow the spread of an active fire in buildings

Fire doors have been addressed in NSPIRE with a standard specific to fire doors

Under HQS fire doors were inspected and cited with other non-fire doors



The fire door standard details the specific function, operability and structural integrity requirements for fire doors



Defects and deficiency criteria will be based on research and discussions with fire safety professionals



Addressing Fire Safety Cont.

Fire sprinklers are critical for the suppression of fires

NSPIRE has
new defects and
criteria

1

Deficiency criteria is more detailed and objective

2

New deficiency for obstruction of the spray area

3

Some deficiencies have elevated severity levels



Additional Fire Safety Items



New Electrical Life Safety Deficiencies include:

Ground Fault Circuit
Interrupters

Arc Fault Circuit
Interrupters

Properly Wired Outlets

Grounded Outlets

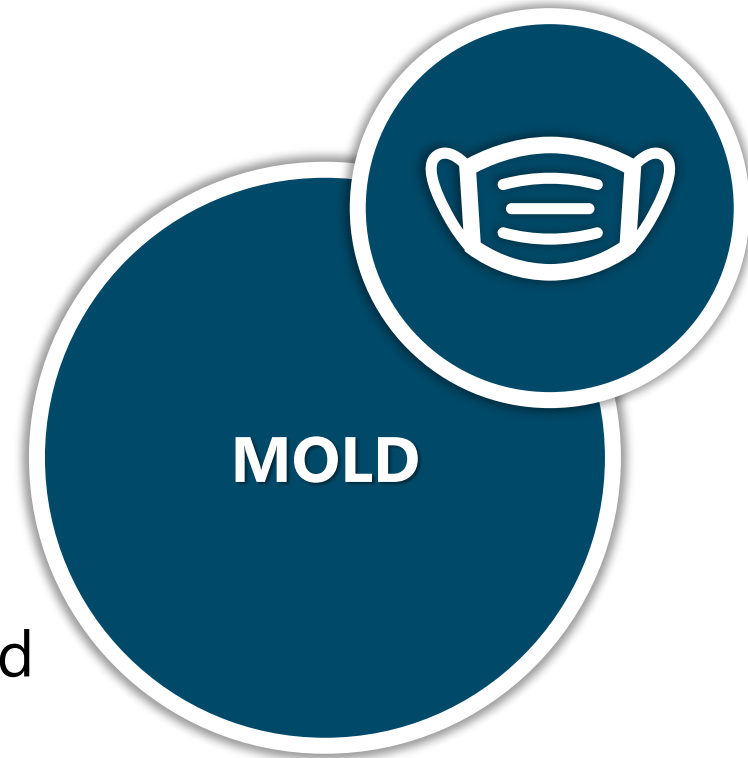
Water safety in the NSPIRE Final Rule

- HUD recognizes the EPA is the government agency tasked with testing and measuring water quality
- HUD will collect information on local water outages or water quality alerts
- HUD will record observations of lead water service lines in HUD assisted properties



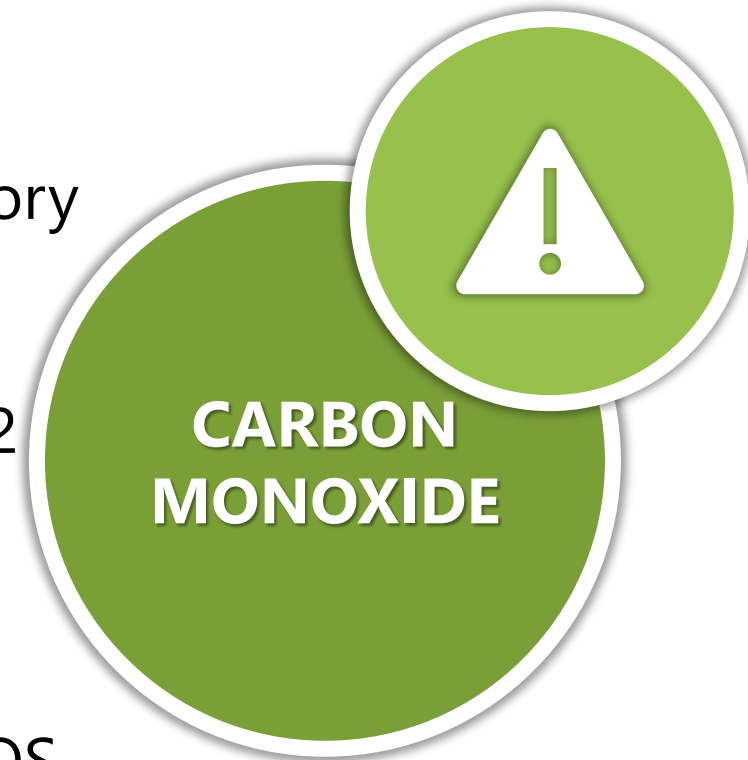
NSPIRE takes a comprehensive approach to mold and moisture

- Objective and measurable mold deficiency criteria that recognizes different severity levels
- The mold standard also contains a deficiency for ventilation or dehumidification of bathrooms
- The leak standard contains multiple deficiencies with specific criteria to capture a broad range of plumbing and environmental leaks
- NSPIRE **requires the use of moisture meters** and **recommends the use of infrared cameras** during inspections



Addressing Carbon Monoxide Alarms

- Transitioning from a survey question to an enforceable standard
- 2021 Consolidated Appropriations Act included a statutory requirement for CO alarms to be installed with the requirements of the 2018 International Fire Code
 - Effective date of requirement was December 27, 2022
 - Chapters 9 & 11 of the 2018 IFC contain the specific installation requirements & are available free online
- REAC notice published December 27, 2022, for the implementation of the CO requirements within UPCS/HQS before the NSPIRE final rule is published and effective
- Decision tree for CO installation guidance published to NSPIRE website December 27, 2022. **Look for Update**



Addressing Infestation

NSPIRE infestation standards include:

- Objective deficiency criteria
 - Specific observed numbers of pests result in different severity levels
- NSPIRE allows alternative correction options and longer time frames for properties using industry best practices
 - An example of best practices would be integrated pest management



Addressing Lead-Based Paint

NSPIRE has a different approach than UPCS

- Current lead-based paint standard
 - Incorporates requirements from HUD's Lead Safe Housing Rule regulations for the voucher program
 - In buildings constructed before 1978, inspector will perform a visual assessment for deteriorated paint in units with children under age 6
 - NSPIRE does not replace HUD's safe lead requirements





Affirmative Requirements – Kitchen and Bathroom



The table below contains affirmative habitability requirements (new standards/defects) for the kitchen and bathroom:

| Standard | | New Affirmative Requirement (Deficiency) |
|-----------------------|---|--|
| Bathtub and Shower | ➡ | Bathtub or shower cannot be used in private |
| Cabinet and Storage | ➡ | Food storage space is not present |
| Cooking Appliance | ➡ | Primary cooking appliance is missing |
| Food Preparation Area | ➡ | Food preparation area is not present |
| Lighting – Interior | ➡ | At least one permanently installed light fixture is not present in the kitchen and bathroom |
| Refrigerator | ➡ | Refrigerator is missing |
| Sink | ➡ | <ul style="list-style-type: none">• Cannot activate or deactivate hot and cold water• Sink is missing or not installed within the primary kitchen |

Affirmative Requirements (Cont.)

| Standard | | New Affirmative Requirement (Deficiency) |
|--|---|--|
| Carbon Monoxide Alarm | ➔ | Carbon monoxide alarm is missing, not installed, or not installed in a proper location |
| Heating, Ventilation, and Air Conditioning | ➔ | <ul style="list-style-type: none"> The inspection date is on or between October 1 and March 31 and 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. The inspection date is on or between October 1 and March 31 and the permanently installed heating source is working and the interior temperature is 64 to 67.9 degrees Fahrenheit. Unvented space heater that burns gas, oil, or kerosene is present. 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. |
| Guardrail | ➔ | Guardrail is missing or not installed |
| GFCI/AFCI – Outlet or Breaker | ➔ | An unprotected outlet is within six feet of a water source |
| Handrail | ➔ | Handrail is missing (evidence of prior installation) |
| Minimum Electrical and Lighting | ➔ | 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. |
| Smoke Alarm | ➔ | Smoke alarm is not installed where required |



NSPIRE Standards Webpage



You can find the standards on the NSPIRE Standards web page:

This web page provides:

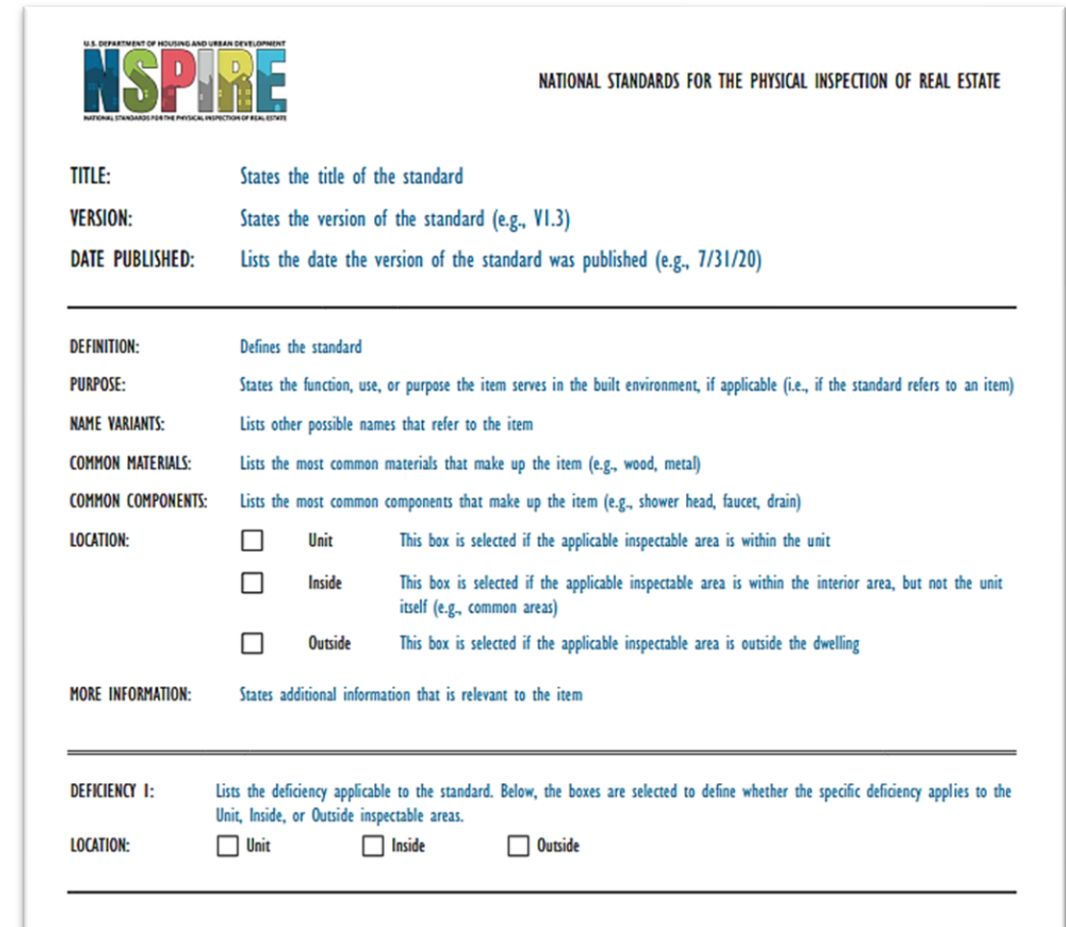
- Ability to view the standards and download:
 - Single standards
 - All standards in a zip file
- Guidance for navigating the standards

Final Standards

| STANDARDS | Inspectable area(s) standard applies to: | | |
|--|--|--------|---------|
| | Unit | Inside | Outside |
| Address and Signage Standard | | | Y |
| Bathtub and Shower Standard | Y | Y | |
| Cabinet and Storage Standard | Y | Y | |
| Call-for-Aid System Standard | Y | Y | |
| Carbon Monoxide Alarm Standard | Y | Y | |
| Ceiling Standard | Y | Y | |
| Chimney Standard | Y | Y | Y |

To help inspectors, quality control reviewers, and other stakeholders understand the terminology and layout of the NSPIRE standards, HUD developed a standards template guide to provide:

- Terminology
- Layout of the standards
- An overview of each component section of a standard, from front to back



The screenshot shows a form titled "NSPIRE NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE". The form includes the following sections:

- TITLE:** States the title of the standard
- VERSION:** States the version of the standard (e.g., VI.3)
- DATE PUBLISHED:** Lists the date the version of the standard was published (e.g., 7/31/20)
- DEFINITION:** Defines the standard
- PURPOSE:** States the function, use, or purpose the item serves in the built environment, if applicable (i.e., if the standard refers to an item)
- NAME VARIANTS:** Lists other possible names that refer to the item
- COMMON MATERIALS:** Lists the most common materials that make up the item (e.g., wood, metal)
- COMMON COMPONENTS:** Lists the most common components that make up the item (e.g., shower head, faucet, drain)
- LOCATION:** Three checkboxes: Unit (This box is selected if the applicable inspectable area is within the unit), Inside (This box is selected if the applicable inspectable area is within the interior area, but not the unit itself (e.g., common areas)), and Outside (This box is selected if the applicable inspectable area is outside the dwelling)
- MORE INFORMATION:** States additional information that is relevant to the item
- DEFICIENCY I:** Lists the deficiency applicable to the standard. Below, the boxes are selected to define whether the specific deficiency applies to the Unit, Inside, or Outside inspectable areas.
- LOCATION:** Three checkboxes: Unit, Inside, and Outside

Deficiencies - Inspection Process

Example Standard: Address, Signage

| | | NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE |
|---|---|---|
| DEFICIENCY I — OUTSIDE: | ADDRESS, SIGNAGE, OR BUILDING IDENTIFICATION CODES ARE BROKEN, ILLEGIBLE, OR NOT VISIBLE. | |
| DEFICIENCY CRITERIA: | Address or building identification codes are broken, illegible, or not visible. | |
| HEALTH AND SAFETY DETERMINATION: | Moderate | The Moderate Health and Safety category includes deficiencies that, if evident in the home or on the 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. |
| CORRECTION TIMEFRAME: | 30 days | |
| HCV PASS / FAIL: | Fail | |
| HCV CORRECTION TIMEFRAME: | 30 days | |
| INSPECTION PROCESS: | | |
| OBSERVATION: | <ul style="list-style-type: none"> - Look at the property and locate any signage or address. - Look at individual buildings on the property and locate any signage or building identification codes identifying the building. | |
| REQUEST FOR HELP: | - None | |
| ACTION: | - Approach the entrance to the building from the main street, road, or parking area. | |
| MORE INFORMATION: | - None | |



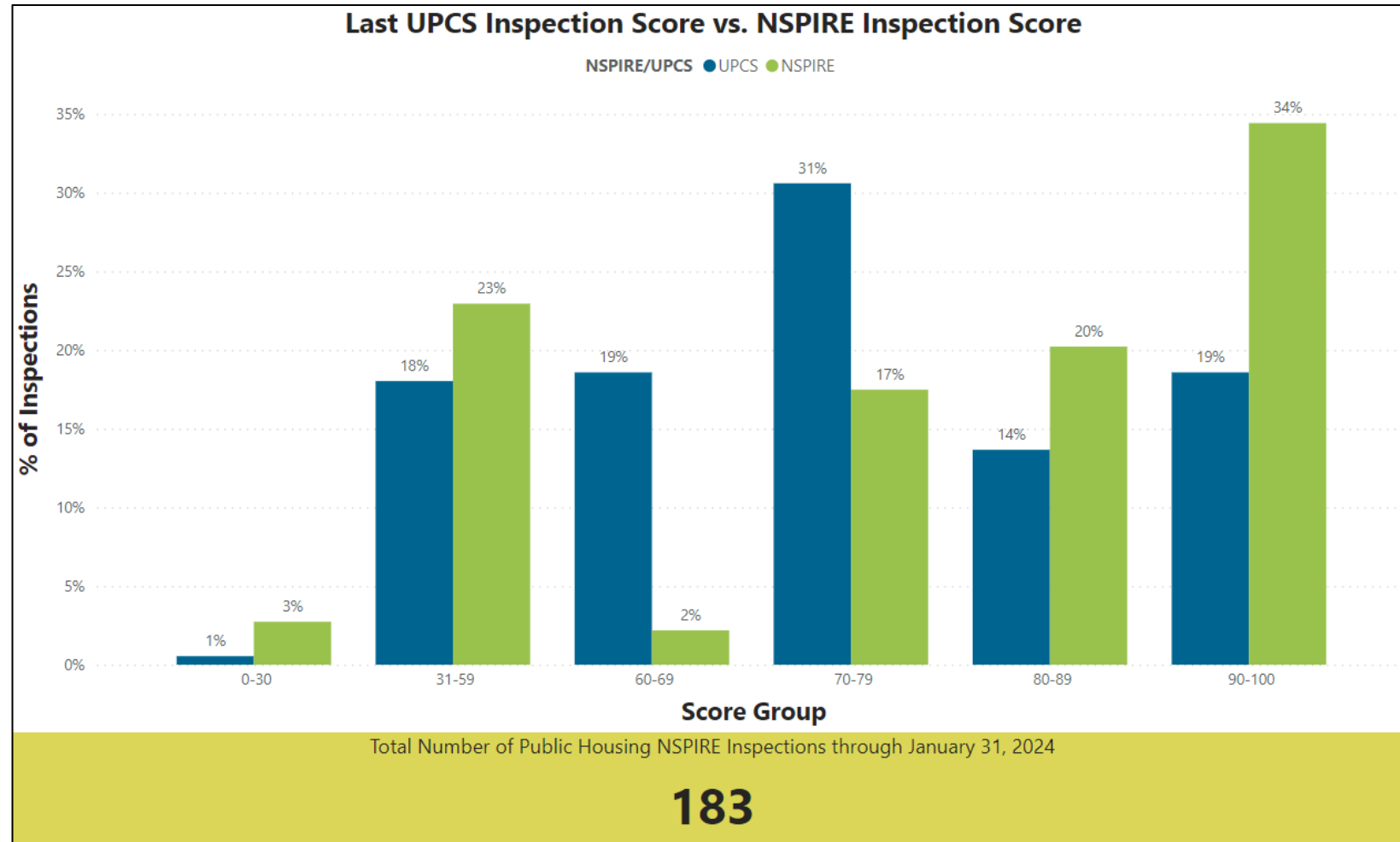
Each deficiency includes an Inspection Process section:

- Observation
- Request for Help (e.g., from resident or POA)
- Action
- More Information

Public Housing – NSPIRE Score Distribution

Key Takeaways:

- For PH to date, more data is needed to make a definitive conclusion about the distribution
- Properties in the middle range of UPCS scores (60-79) tend to get pushed to a high (90+) or low (<59) NSPIRE score depending on the number of critical health and safety conditions

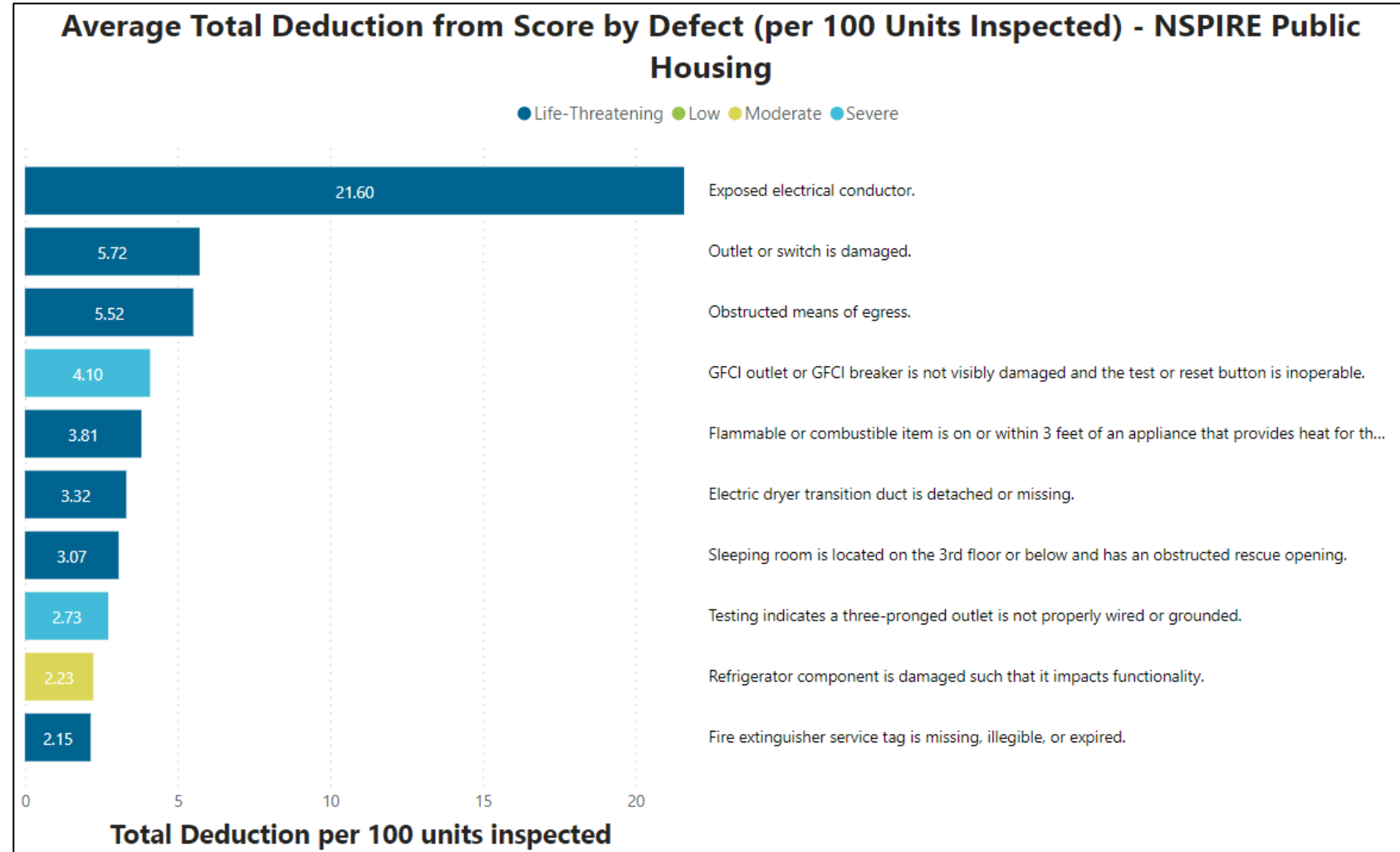


*Chart shows PH NSPIRE Scores compared to the previous UPCS scores *at that subset of properties* (183 properties)

Public Housing – Top 10 – Score Deduction

Key Takeaways:

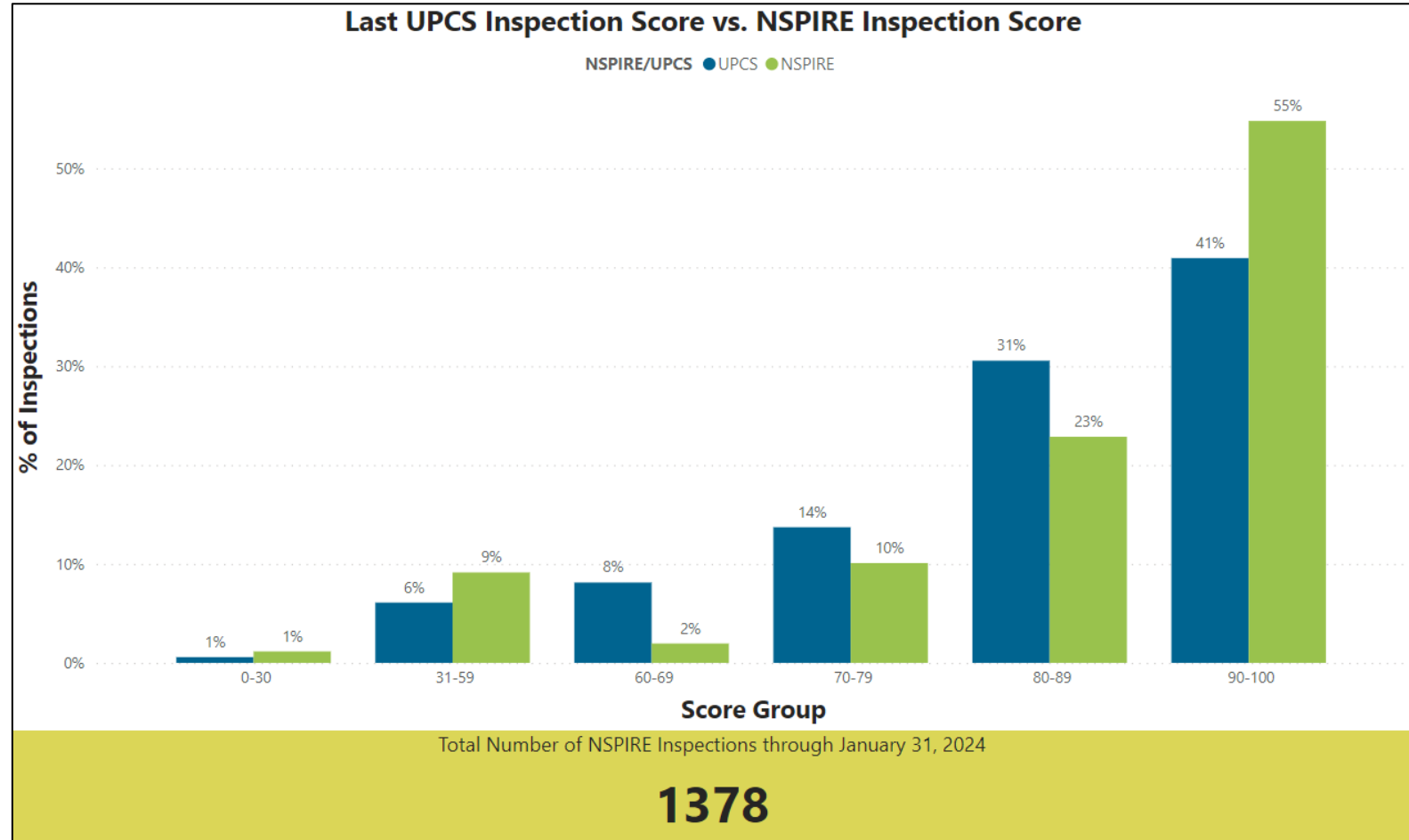
- The largest overall score deduction under NSPIRE is attributable to the ***Exposed electrical conductor*** defect, with a total deduction **more than four times greater** than the next highest defect
- In total, **Electrical, Egress, and Fire Safety** defects impacted NSPIRE scores **more than other types of defects**



Overall NSPIRE Score Distribution

Key Takeaways:

- NSPIRE score distribution hasn't diverged drastically from UPCS
- Properties that had performed well under UPCS are generally maintaining their good standing under NSPIRE
- NSPIRE inspection process working as expected: properties mired in the middle range of UPCS scores tend to get pushed to a high (90+) or low (<59) NSPIRE score depending on the number of critical health and safety conditions

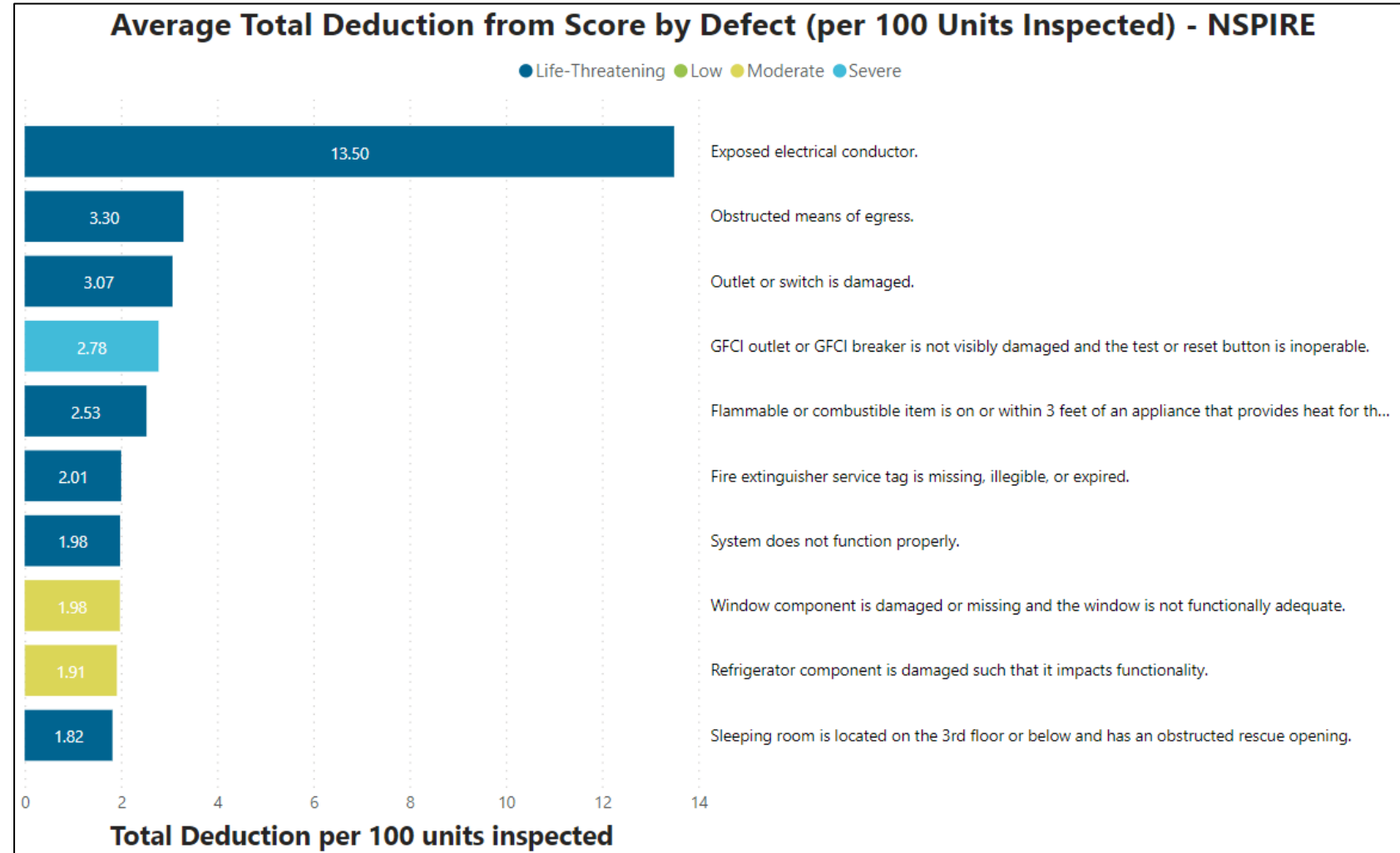


*Chart shows MFH NSPIRE Scores compared to the previous UPCS scores *at that subset of properties* (1,378 properties)

Overall – Top 10 – Score Deduction

Key Takeaways:

- The largest overall score deduction under NSPIRE is attributable to the ***Exposed electrical conductor*** defect, with a total deduction **more than four times greater** than the next highest defect
- In total, **Electrical, Egress, and Fire Safety** defects impacted NSPIRE scores **more than other types of defects**



Resources and Training

- **NSPIRE/Federal Register Notice**
 - <https://www.federalregister.gov/documents/2023/05/11/2023-09693/economic-growth-regulatory-relief-and-consumer-protection-act-implementation-of-national-standards>
- **2018 International Fire Code (IFC) - Chapters 9 & 11 For CO Alarms**
 - <https://codes.iccsafe.org/content/IFC2018>
- **U.S. Department of Housing and Urban Development (HUD)-Carbon Monoxide Alarms or Detectors in HUD assisted housing properties**
 - <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2022-01.pdf>



NSPIRE

Questions & Answers

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