# U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WASHINGTON, DC 20410-5000



### **SPECIAL ATTENTION OF:**

Regional Administrators; Directors of HUD Regional and Field Offices of Public Housing; Public Housing Agencies; Property Owners participating in any Housing Choice Voucher program.

# **NOTICE PIH 2024-26, REV-1**

**Issued:** August 9, 2024

Originally Issued: September 29, 2023

**Expires:** This notice remains in effect until amended, superseded, or rescinded.

#### **Cross References:**

24 CFR Parts 5, 35, 882, 982, 983

Notice PIH 2023-16

Notice PIH 2022-01

Notice PIH 2020-31

Notice PIH 2017-20

Notice PIH 2016-05

Notice PIH 2013-17

SUBJECT: Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE) Administrative Procedures for the Housing Choice Voucher (HCV) Programs, REVISION 1

# 1. Purpose

This **revised** notice finalizes the administrative procedures of National Standards for the Physical Inspection of Real Estate (NSPIRE) for the Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) programs (and by reference to HQS, the Section 8 Moderate Rehabilitation Program (Mod Rehab) found in 24 CFR part 882). NSPIRE for HCV and PBV programs, referred to as NSPIRE-V during HUD's demonstration, was effective October 1, 2023, and replaced Housing Quality Standards (HQS), as previously defined in 24 CFR 982.401, as the inspection standards for these programs. As announced in the Federal Register, "Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE); Extension of NSPIRE Compliance Date for HCV Programs," HUD first extended the compliance date for HCV and PBV programs until October 1, 2024. As announced in the Federal Register, "Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE); Extension of NSPIRE Compliance Date for HCV, PBV and Section 8 Moderate Rehab and CPD Programs," HUD is further extending the compliance date for HCV

<sup>&</sup>lt;sup>1</sup> Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE); Extension of NSPIRE Compliance Date for HCV Programs, <u>88 FR</u> 66882 (September 28, 2023)

<sup>&</sup>lt;sup>2</sup> Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE); Extension of NSPIRE Compliance Date for HCV, PBV and Section 8 Moderate Rehab and CPD Programs, 89 FR 55645 (July 5, 2024)

and PBV programs until **October 1, 2025**. This notice applies to all Public Housing Agencies (PHAs), including Moving-to-Work (MTW) PHAs, administering Section 8 Housing Choice Voucher programs.

<u>Summary of Changes in this Revision\*</u> (\*except for extension date changes made throughout, changes have only been made to sections *1. Purpose* and *4. Extended Compliance Date and Notification to HUD*)

- The compliance date for implementation of NSPIRE for voucher programs is further extended to October 1, 2025, and the new Federal Register has been referenced.
- NSPIRE standards for carbon monoxide detectors and smoke alarms must be implemented regardless of the extended compliance date to comply with congressional mandates.
- The notification requirements for PHAs that will delay implementation of NSPIRE have changed.

# 2. Background

On May 11, 2023, HUD published the "Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE)" final rule in the Federal Register ("NSPIRE final rule"). The NSPIRE final rule establishes a new approach to defining and assessing housing quality called the National Standards for the Physical Inspection of Real Estate (NSPIRE). NSPIRE strengthens HUD's physical condition standards and improves HUD oversight by aligning and consolidating the inspection regulations used to evaluate "HUD housing" as defined in 24 CFR 5.701(c), across multiple programs. Implementation of the NSPIRE final rule ensures that residents of HUD housing live in safe, habitable dwellings. It also ensures that the items and components located both inside and outside, and within the units of HUD housing are functionally adequate, operable, and free of health and safety hazards. The rule also states that HUD will publish NSPIRE Standards through a Federal Register Notice at least once every three years to allow HUD to be responsive to the ever-changing public and assisted housing portfolio and evolving needs and research findings in the field.

During the first phase of implementation, HUD commenced inspections for Public Housing properties and certain Multifamily Housing NSPIRE Demonstration participants beginning July 1, 2023. As described in the final rule, NSPIRE implementation included three core notices: the NSPIRE Standards, NSPIRE Scoring, and NSPIRE Administrative Procedures notices covering the Public Housing and Multifamily Housing programs listed at 24 CFR 5.701. More information on these notices is posted at

https://www.hud.gov/program\_offices/public\_indian\_housing/reac/nspire/notices.

HUD is also issuing this Administrative Procedures notice covering the HCV and PBV (and by reference to HQS, the Mod Rehab) programs. Prior to the implementation of NSPIRE, inspections under these programs were conducted in accordance with HQS, as defined in 24 CFR 982.401. This notice informs PHAs that administer these programs of the effective date of

<sup>&</sup>lt;sup>3</sup> Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE), <u>88 FR 30442</u> (May 11, 2023)

implementation of NSPIRE, covers the new NSPIRE Standards, instructs PHAs to update their inspection standards before the compliance date of October 1, 2025, and explains any other changes to the inspection processes.

#### 3. Effective Date

This notice provides guidance for HCV and PBV programs and implements the second phase of the NSPIRE final rule for these programs before the compliance date of October 1, 2025. While compliance is not required before that date, HUD encourages any PHA that is ready to implement NSPIRE to do so at their earliest convenience. With respect to inspections conducted on and after the implementation of NSPIRE for the programs identified above, this notice replaces all HQS guidance previously issued by HUD, including the *Housing Inspection Manual for the Section & Existing Housing Program, Chapter 10: Housing Quality Standards* of the 2001 Housing Choice Voucher Program Guidebook<sup>4</sup>, and HUD forms 52580 and 52580-A. HUD will issue updates to HCV guidance materials for NSPIRE later this year.

PHAs that will implement inspections using the NSPIRE Standards on or after October 1, 2023, will need to be in communication with their landlords and families regarding the upcoming changes to the inspection standards. All participating landlords and families must be notified of NSPIRE, what the NSPIRE Standards are, and when these changes will take effect for their inspections. To properly prepare for NSPIRE inspections, PHAs must also ensure that inspectors are trained on NSPIRE and any new software or tools they will utilize.

Please note that PHAs with units subject to HQS inspections conducted prior to the effective date identified above shall hold those units and owners subject to HUD's and the PHA's HQS administrative and enforcement policies in effect at the time of those inspections.

# 4. Extended Compliance Date and Notification to HUD

With this notice, and in accordance with Federal Register Notice, 89 FR 55645, "Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE); Extension of NSPIRE Compliance Date for HCV, PBV and Section 8 Moderate Rehab and CPD Programs," PHAs may continue using HQS, as previously defined in 24 CFR 982.401, or other HUD-approved inspection methods as their inspection standards for up to one additional year, or until October 1, 2025. PHAs are still highly encouraged to implement NSPIRE as soon as feasible any time after October 1, 2023, but must be in compliance with NSPIRE Standards no later than October 1, 2025.

Regardless of which inspection standards are used, PHAs are reminded that they must include compliance with the NSPIRE standards for carbon monoxide detectors and smoke alarms as they implement statutory mandates required by Congress. The carbon monoxide detectors requirement took effect and became an inspectable item on December 27, 2022. PHAs may directly follow the <a href="NSPIRE Carbon Monoxide standard">NSPIRE Carbon Monoxide standard</a> or see <a href="Notice PIH 2022-01">Notice PIH 2022-01</a> for additional guidance on this requirement. For smoke alarms, PHAs are already required to comply with the Federal Fire Safety Act of 1992 and keep their HQS inspections current with the National Fire

<sup>&</sup>lt;sup>4</sup> This Guidebook is no longer in effect, but HUD recognizes that because this particular chapter has not been updated or superseded, it may still be in use by PHAs.

Protection Association (NFPA) Standards, currently NFPA 72. Additional changes will take effect on December 29, 2024<sup>5</sup>, requiring all smoke alarms be either hard wired or sealed, 10-year battery devices. The NSPIRE Smoke Alarm standard reflects current NFPA 72 and will be updated with the additional mandates by the statutory compliance date. PHAs may find it helpful to inform landlords of the upcoming changes and requirements as soon as possible.

PHAs that opt to retain HQS can continue to utilize previous HQS definitions and guidance, including HUD forms 52580 and 52580-A, provided they are also in compliance with the above statutes.

# Notification Requirements

PHAs were previously required to notify HUD if they were delaying implementation of NSPIRE anytime past October 1, 2023. With this new extension, only PHAs that decide to implement NSPIRE prior to the new compliance date of October 1, 2025 (or change from early implementation to full extension date), must notify HUD of the date on which they plan to transition to NSPIRE. More details below:

- PHAs that previously notified HUD that they were delaying implementation of NSPIRE to October 1, 2024, and now plan to further delay implementation to October 1, 2025, are not required to provide any further notification to HUD.
- PHAs that have already implemented NSPIRE and have notified HUD of this fact, are not required to provide any further notification.
- PHAs that previously notified HUD that they were delaying implementation of NSPIRE to any date prior to October 1, 2024, but would like to change that date to another date prior to October 1, 2025, must notify HUD of this decision.
- PHAs that previously notified HUD that they were delaying implementation of NSPIRE to any date prior to October 1, 2024, but have not implemented and now plan to further delay implementation to October 1, 2025, must also notify HUD of this decision (HUD needs to know if your early implementation plans have changed).

# **Notification Instructions**

If the PHA must report its planned implementation date to HUD, the instructions have remained the same:

- Send an email to <a href="MSPIREV\_AlternateInspection@hud.gov">MSPIREV\_AlternateInspection@hud.gov</a> with a courtesy copy to the local Field Office representative.
- The email's Subject line should read "Notification of Extension of HQS, [PHA Code]"
- The body of the email should include the PHA name, PHA code, and what date the PHA tentatively plans to implement NSPIRE (which may be no later than October 1, 2025).
- This email must be sent no later than September 30, 2024 (HUD will continue to accept updates and changes after this date).

## 5. Inspectable Areas

The NSPIRE final rule defines the inspectable areas for the inspection as inside, outside, and units of HUD housing at 24 CFR 5.703:

<sup>&</sup>lt;sup>5</sup> Public Law 117-328 Consolidated Appropriations Act, 2023

<u>Unit</u>. A unit (or "dwelling unit") of HUD housing refers to the interior components of an individual unit. Examples of components included in the interior of a unit may include the balcony, bathroom, call-for-aid (if applicable), carbon monoxide devices, ceiling, doors, electrical systems, enclosed patio, floors, HVAC (where individual units are provided), kitchen, lighting, outlets, smoke detectors, stairs, switches, walls, water heater, and windows.

<u>Inside</u>. Inside of HUD housing (or "inside areas") refers to the common areas and building systems that can be generally found within the building interior and are not inside a unit. Examples of "inside" common areas may include basements, interior or attached garages, enclosed carports, restrooms, closets, utility rooms, mechanical rooms, community rooms, daycare rooms, halls, corridors, stairs, shared kitchens, laundry rooms, offices, enclosed porches, enclosed patios, enclosed balconies, and trash collection areas. Examples of building systems include those components that provide domestic water such as pipes, electricity, elevators, emergency power, fire protection, HVAC, and sanitary services.

<u>Outside</u>. Outside of HUD housing (or "outside areas") refers to the building site, building exterior components, and any building systems located outside of the building or unit. Examples of "outside" components may include fencing, retaining walls, grounds, lighting, mailboxes, project signs, parking lots, detached garage or carport, driveways, play areas and equipment, refuse disposal, roads, storm drainage, non-dwelling buildings, and walkways. Components found on the exterior of the building are also considered outside areas, and examples may include doors, attached porches, attached patios, balconies, carports, fire escapes, foundations, lighting, roofs, walls, and windows.

While the above definitions include areas and components that are covered by the regulation, they are not all required to be inspected for an HCV or PBV inspection. The inspectable areas for HCV, PBV, and the Mod Rehab programs are defined at 5.705(a)(2):

The inspection requirement for the tenant-based HCV program and the unit inspection for the PBV and Moderate Rehabilitation programs only applies to units occupied or to be occupied by HCV, PBV, and Moderate Rehabilitation participants, and common areas and exterior areas which either service or are associated with such units.

### 6. NSPIRE Standards

While many HQS items are encompassed in NSPIRE in some way, the focus of NSPIRE is on the condition of dwelling units and prioritizing the health and safety of residents. A major change between NSPIRE and HQS is that the NSPIRE final rule removed the "Site and Neighborhood" requirement for HCV at 24 CFR 982.401(1).

## Where to Find the NSPIRE Standards

The standards can be found on the <u>NSPIRE Standards website</u>. You can also find a full list of all Standards in <u>one PDF</u> document attached to the NSPIRE Final Rule. HUD recognizes that the format of the NSPIRE Standards may cause confusion for HCV PHAs who are more familiar

with a checklist-type form and a question-and-answer-based list. An Excel checklist has been created and will be provided on HUD's website.

# Affirmative Habitability Requirements

NSPIRE also provides for minimum, or affirmative, habitability requirements for each "area" (unit, inside, outside). The areas must meet these requirements for habitability. These affirmative habitability requirements are noted specifically in the Standards, but can also be found in 24 CFR 5.703(b), (c), and (d).

# **HOTMA Life-Threatening List**

Under the Housing Opportunity Through Modernization Act of 2016 (HOTMA), as part of the "Implementation of Various Section 8 Voucher Provisions," HUD published a list of life-threatening conditions ("HOTMA LT List") in the Federal Register. HUD has included the HOTMA LT List in the NSPIRE Standards and this life-threatening (LT) will become mandatory for all HCV PHAs at the time of NSPIRE implementation. Previously, the list of LT deficiencies was either discretionary and up to the PHA, or PHAs were required to adopt HUD's HOTMA LT List if they had implemented HOTMA's initial inspection provisions (under Notice PIH 2017-20). The HOTMA LT List, published with the <u>final NSPIRE Standards</u> on June 22, 2023, will no longer be discretionary. In addition to being listed within the individual Standards, the HOTMA LT List can also be found separately in Table 65 of the Standards at: <a href="https://www.hud.gov/sites/dfiles/PIH/documents/6092-N-05nspire\_final\_standards.pdf">https://www.hud.gov/sites/dfiles/PIH/documents/6092-N-05nspire\_final\_standards.pdf</a>.

PHAs can still add additional items to the list of items considered LT conditions. If a PHA wishes to include additional LT deficiencies beyond the HOTMA LT List, they would need to be identified and adopted as LT into the PHA's Administrative Plan. Any HUD-approved acceptability criteria variations that the PHA would like to identify as LT under NSPIRE, will also need to be identified and adopted as LT into the PHA's Administrative Plan (see section 7. *Variations* of this notice).

### Timelines for Correcting Deficiencies

HUD has aligned NSPIRE with HOTMA, and for the HCV programs, Life-Threatening deficiencies must be corrected within 24 hours after such notice has been provided. All other non-life-threatening deficiencies, known as *Severe and Moderate*, must be corrected within 30 days (or a PHA-approved extension) after such notice has been provided. There are some deficiencies considered *Low* that even if present in the HCV programs will result in a **pass** and would only be noted by the inspector for information purposes. If a failed deficiency (Life-Threatening, Severe, or Moderate) is not corrected within the required timeframe, the PHA must initiate Housing Assistance Payment (HAP) Contract enforcement, which can include withholding or abatement of assistance payments, terminations, or relocations.

<sup>&</sup>lt;sup>6</sup> Housing Through Modernization Act of 2016: Implementation of Various Section 8 Voucher Provisions, <u>82 FR</u> 5458

<sup>&</sup>lt;sup>7</sup> National Standards for the Physical Inspection of Real Estate: Inspection Standards, <u>88 FR 40832</u>.

#### Scoring

The NSPIRE Scoring Notice does not apply to the programs covered in this notice. HCV, PBV, and Mod Rehab inspections are not numerically scored and NSPIRE retains pass/fail indicators. Pass inspections require no further action by the PHA, family, or landlord. Fail inspections will require follow-up, reinspections, or verification to confirm the correction of the failed standards. Each individual NSPIRE Standard indicates whether a deficiency would result in a pass or fail for the unit under the HCV programs.

## Self-Inspections

24 CFR 5.707 exempts landlords participating in HCV, PBV, and Section 8 Mod Rehab programs from any self-inspection requirements.

### Lead-Based Paint Hazards, Mold and Moisture, and Pest Infestations

As discussed in the NSPIRE Administrative Procedures Notice applicable to Public Housing and Multifamily Housing programs, HUD allows flexibility for what is considered an appropriate correction for lead-based paint, mold and moisture, and pest infestations within 24 hours. All of these conditions may take a significant time to permanently control. PHAs may consider this language in considering corrections made by property owners/landlords. For lead-based paint and the programs covered in this notice, PHAs and owners shall continue to comply with the requirements and timelines in 24 CFR Part 35 Subpart M—Tenant-Based Rental Assistance, and Subpart H—Project-Based Assistance. PHAs and owners are reminded that any deteriorated paint in target housing, or other lead-based paint hazard identified through a lead-based paint risk assessment or lead-based paint inspection is considered a violation of HQS and the NSPIRE Standards. For the tenant-based programs, Subpart M applies to units where a child under age 6 resides or is expected to reside, common areas that service that unit, and exterior painted surfaces associated with that unit or common areas. For project-based programs, Subpart H applies to assisted units and common areas of the property regardless of whether a child under age 6 resides or is expected to reside in the unit. The NSPIRE final rule did not alter any of the lead-based paint requirements in Part 35 for these programs.

#### 7. Variations

NSPIRE does not alter the existing flexibilities that allow PHAs to propose, for HUD approval, acceptability criteria variations. 24 CFR 5.705(a)(3) (formerly found at § 982.401(a)(4)), states that HUD may approve variant inspection standards for the HCV and PBV programs.

After a PHA's implementation of NSPIRE, previous variation approvals under HQS that do not align with NSPIRE Standards must be re-reviewed by HUD. PHAs must determine if any previously approved variation they wish to continue is now a variation of the NSPIRE Standards just as they did under HQS acceptability criteria. If the PHA determines the need for a variation still exists, it must submit a request to HUD as described below. If the PHA is unable to make the determination or unsure whether or not a variation aligns with NSPIRE, it is welcome to submit these as requests for HUD determination as well.

<sup>&</sup>lt;sup>8</sup> Verification can include photos (Notice PIH 2013-17: *Housing Choice Voucher (HCV) Program – Review of Existing HQS Requirements and the Use of Photos to Improve HQS oversight*) or remote video (Notice PIH 2020-31: *Remote Video Inspections for Housing Choice Voucher Program*) in accordance with PHA Policy.

Please note, NSPIRE will no longer allow for the use of unvented, fuel-burning space heaters because of the risk of carbon monoxide exposure. For PHAs that continue to use HQS for inspections on or after October 1, 2023, and currently have a HUD-approved variation allowing the PHA to approve the use of unvented, fuel-burning space heaters, this approval will be rescinded effective January 1, 2024. PHAs must provide all owners and currently assisted families with a written notice, no later than November 1, 2023, that such space heaters must be removed and replaced with an appropriate heating source as soon as possible, but no later than December 31, 2023. For any initial inspection that occurs on or after October 1, 2023, PHAs may not execute a new Housing Assistance Payments (HAP) contract for a unit with an unvented, fuel-burning space heater. The owner must provide an appropriate heating source prior to HAP contract execution. During any scheduled periodic inspection that occurs between October 1, 2023, and December 31, 2023, the presence of an unvented, fuel-burning space heater must be cited, and the owner must remove and replace it with an appropriate heating source no later than December 31, 2023. The owner must also ensure that if there is no carbon monoxide device in the unit, one must be installed within 24 hours, in accordance with statutory requirements. For inspections that occur on or after January 1, 2024, the presence of an unvented, fuel-burning space heater will be considered a failed item under HQS that the owner must correct in accordance with regulatory requirements and PHA-established timeframes. If the owner does not correct the deficiency within the required timeframes, the PHA must abate HAP and enforce the owner obligations in accordance with program requirements in 24 CFR 982.404.

PHAs that wish to apply for approval of variant inspection standards from the NSPIRE Standards must email REAC at <a href="MSPIREV\_AlternateInspection@hud.gov">MSPIREV\_AlternateInspection@hud.gov</a> with a courtesy copy to their Field Office representative.

The Subject line of the email should read "Variation Request, [PHA Code]" Requests for variations should include the following:

- 1. Name and Code of the PHA requesting the variation.
- 2. The variation requested or the current standard requested to be modified.
- 3. The local condition or housing code that supports the request.<sup>9</sup>
- **4.** Justification for approval: Whether the variation meets or exceeds the performance requirements under NSPIRE, or How the variation will significantly expand housing opportunities for families.

HUD expects these determinations to be made in approximately 30-45 days. PHAs should continue business as usual while HUD makes these determinations. Any approved variations must be added to the PHA's Administrative Plan. If the PHA is denied the use of a variation, the PHA must revise its inspection protocol to meet the NSPIRE Standards before October 1, 2025.

This variation process is not intended to include any individual determinations of a reasonable accommodation. <sup>10</sup> PHAs maintain their responsibility to review all reasonable accommodation

<sup>&</sup>lt;sup>9</sup> Local conditions or housing codes may have been imposed by a court or administrative order or by a voluntary legal agreement.

<sup>&</sup>lt;sup>10</sup> In accordance with Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and the Fair Housing Act.

requests made by an individual with a disability. These requests are made on a case-by-case basis and do not involve overall changes or variations to a PHA's inspection standards. Therefore, these determinations are made by the PHA and would not involve HUD approval under this variation process.

#### **8. NSPIRE Processes and Procedures**

NSPIRE did not change elements of the program already established in the Housing Opportunity Through Modernization Act of 2016 (HOTMA), or any of the HCV and PBV regulations on inspection timing or protocols.

# <u>Different Types of Inspections</u>

PHAs are still required to conduct three types of inspections in accordance with HCV program guidance: initial, periodic (at least biennially, or at least triennially for small rural PHAs), and special (which includes tenant-requested/complaint inspections and quality control) inspections. NSPIRE makes no changes to this for the HCV programs.

Units under a PBV HAP Contract<sup>11</sup> continue to be subject to all turnover inspections for new families moving in and a random sampling of at least 20 percent of the contract units for periodic NSPIRE inspections. Like HCV, the random sample must be done at least biennially, or at least triennially for small rural PHAs.

Mod Rehab units under Contract are still subject to inspection at least annually in accordance with 24 CFR 882.516.

### Entity Conducting Inspections

NSPIRE aligns the inspection standards of different HUD programs but does not change the entity responsible for conducting the inspections. PHAs, any approved alternative inspection method entity per 24 CFR 982.406, or in the case of PHA-owned units, a HUD-approved independent entity, will continue to inspect HCV, PBV, and Mod Rehab units.

#### NSPIRE Enforcement

The PHA may continue to exercise any of its rights or remedies under the contracts held with landlords and families. This may include abatement of assistance payments to the landlord, termination of the HAP Contract, or potential termination of assistance to the family (in cases of tenant-caused damages).

## PHA Policy

In any matter where a PHA has the discretion and elects to use its discretion, its Administrative Plan must be revised and updated. PHAs should also note that in accordance with 24 CFR 982.54, inspection performance standards and procedures for conducting inspections must be included in the Administrative Plan. If these changes to the Administrative Plan meet the PHA's definition of a Significant Amendment to the PHA Plan, the PHA will also need to amend the PHA Plan in accordance with 24 CFR 903.21.

<sup>&</sup>lt;sup>11</sup> See 24 CFR 983.103(a) & (b) for information on inspections prior to executing a PBV HAP Contract.

# 9. Special Housing Types (24 CFR Part 982 Subpart M)

NSPIRE makes no substantive changes to subpart M, Special Housing Types other than to update the definition of HQS. Housing that meets NSPIRE's affirmative habitability standards (24 CFR 5.703(d)) can be considered eligible for HUD assistance. Unless specifically modified by subpart M, NSPIRE Standards will apply to these special housing types (Single Room Occupancy, Congregate Housing, Group Homes, Shared Housing, Manufactured Homes, Homeownership units).

# 10. Alternative Inspection Methods

NSPIRE did not alter existing flexibilities for PHAs to rely on alternative inspection methods. In accordance with 24 CFR 982.406, PHAs may utilize inspections of housing assisted under the HOME program, housing financed using Low-Income Housing Tax Credits (LIHTC), inspections conducted by HUD/REAC, or alternative methods otherwise approved by HUD<sup>12</sup> to comply with inspection requirements. Any alternative inspection method that is not HOME, LIHTC, or otherwise conducted by HUD, will need HUD review and approval. After a PHA's implementation of NSPIRE, previous alternative inspection methods approved by HUD must be re-analyzed by the PHA against NSPIRE Standards and resubmitted to HUD for review and approval. PHAs that wish to rely on an alternative inspection method requiring HUD approval must be sent to REAC via email at <a href="https://nspirecommons.org/nspir

The Subject line of the email should read "Alternative Inspection Method, [PHA Code]" Requests for alternative inspection methods should include the following:

- 1. Name and Code of the PHA requesting the alternative method.
- 2. A copy of the method being proposed.
- 3. The PHA's analysis showing how the method will meet or exceed all NSPIRE Standards.

HUD expects these determinations to be made in approximately 30-45 days. PHAs should continue business as usual while HUD makes these determinations. Any approved alternative inspection methods, including those already approved by regulation, must be identified in the PHA's Administrative Plan. If the PHA is denied the use of an alternative inspection method requested, the PHA must revise its inspection protocol to meet the NSPIRE standards before October 1, 2025.

# 11. Updated NSPIRE Inspection Form

PHAs continuing to use HQS as previously defined can continue to use HUD forms 52580 and 52580-A until they implement NSPIRE, or until October 1, 2025, whichever is sooner. PHAs that implement NSPIRE should not use these forms. In the interim, HUD strongly encourages PHAs to use the NSPIRE inspection app as soon as it becomes available. Use of this tool will allow PHAs to automate the inspection, have data available electronically, and perform data analysis for trends in conditions or landlord compliance. PHAs may also utilize the NSPIRE Standards available online, use an application provided by a commercial vendor that is based on

<sup>&</sup>lt;sup>12</sup> See 24 CFR 982.406, 24 CFR 5.703(g), and Notice PIH 2016-05.

<sup>&</sup>lt;sup>13</sup> See 24 CFR 982.406 for additional information.

final NSPIRE Standards (currently 3.0), or the basic checklist that will be provided on HUD's website. HUD notes that the use of a tool or application not provided by HUD may not ensure full compliance with the NSPIRE regulations and standards. It will be the PHA's responsibility to comply with current standards.

HUD is seeking ongoing feedback on the Excel checklist provided and the application when it is ready for use. Any comments or suggestions PHAs have on these tools can be sent to NSPIRE@hud.gov (please use the Subject line "NSPIRE Tool Feedback").

# 12. Use of Software or NSPIRE Inspection Tool

Currently, HUD's NSPIRE-V Demonstration application is available for PHAs participating in the NSPIRE-V Demonstration and will continue to be available for those PHAs. The app currently utilizes NSPIRE Standards 2.2 but can continue to be used by these Demonstration PHAs while they come into full compliance with NSPIRE before October 1, 2025. This software needs modification to be available for general use, as it was designed to collect and transmit HCV and PBV inspection information to HUD. The NSPIRE final rule does not change any requirements for PHAs to submit their HCV or PBV inspections to HUD.

HUD will provide a future application that PHAs and PHA inspectors can use on their mobile devices or tablets for the HCV and PBV programs. This tool will be aligned with the NSPIRE standards and will include HCV pass/fail indicators to help ensure consistent and accurate inspections. HUD has also been working with industry groups and software providers in an effort to get their programs ready for the NSPIRE standards. PHAs can choose to use the tool, software, or application that works best for them and their program, as long as the tool is based on the latest version of the NSPIRE Standards (currently 3.0).

# 13. Training

HUD has developed training that includes a combination of PowerPoint presentations, infographics as well as instructional videos that are posted on the NSPIRE website. As we move toward implementation for HCV and PBV programs, additional training will be made available. For more information on NSPIRE, visit the NSPIRE homepage. Questions regarding training can be sent to NSPIRE@hud.gov.

## 14. Additional Information

Questions about this notice? Please contact Dana M. Kitchen, Real Estate Assessment Center, Office of Public and Indian Housing, Department of Housing and Urban Development, 550 12<sup>th</sup> Street SW, Suite 100, Washington, DC 20410-4000, telephone number 202-708-1112 (this is not a toll-free number), <a href="mailto:NSPIRE@hud.gov">NSPIRE@hud.gov</a>.

HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <a href="https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs">https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs</a>.

Please also see HUD's continually growing NSPIRE website. <sup>14</sup> HUD will post frequently asked questions, resources for all interested parties, updates to NSPIRE, and training for PHAs.

In between NSPIRE inspections, HUD continues to encourage residents to quickly report hazards or defects in building systems, fixtures, appliances, or other parts of the unit, the grounds, or related facilities to their landlord, property owner, manager, PHA contact, or PHA Board of Commissioners (as applicable). PHAs should also keep residents informed of the status of residents' requests and ensure that properties are maintained in accordance with the NSPIRE regulations and Standards.

Richard J. Monocchio

Principal Deputy Assistant Secretary

Ruhaul J. Monorchio

Public and Indian Housing

<sup>&</sup>lt;sup>14</sup> See HUD's NSPIRE website at: https://www.hud.gov/program\_offices/public\_indian\_housing/reac/nspire.