

# **NSPIRE Training Course**

## **Module 1**

### **NSPIRE Overview**

DRAFT V1.0 (SUBJECT TO CHANGE)



## Module Overview

This module introduces you to the U.S. Department of Housing and Urban Development's National Standards for the Physical Inspection of Real Estate (NSPIRE). You will learn why NSPIRE was created and how it improves assessments of HUD housing.



## Module Topics

Topics presented in this module include:

1. Creating NSPIRE – Why NSPIRE was developed, how it is being implemented, and how stakeholders are involved
2. How NSPIRE Improves Housing Assessments – How NSPIRE is designed to more accurately assess the condition of HUD housing to promote resident health and safety and the habitability of their homes





## Module Objectives

By the end of this module, you should be able to:

1. Identify the reasons for creating NSPIRE.
2. Identify how NSPIRE improves assessments of HUD housing to promote resident health and safety and the habitability of their homes.

## Topic 1: Creating NSPIRE



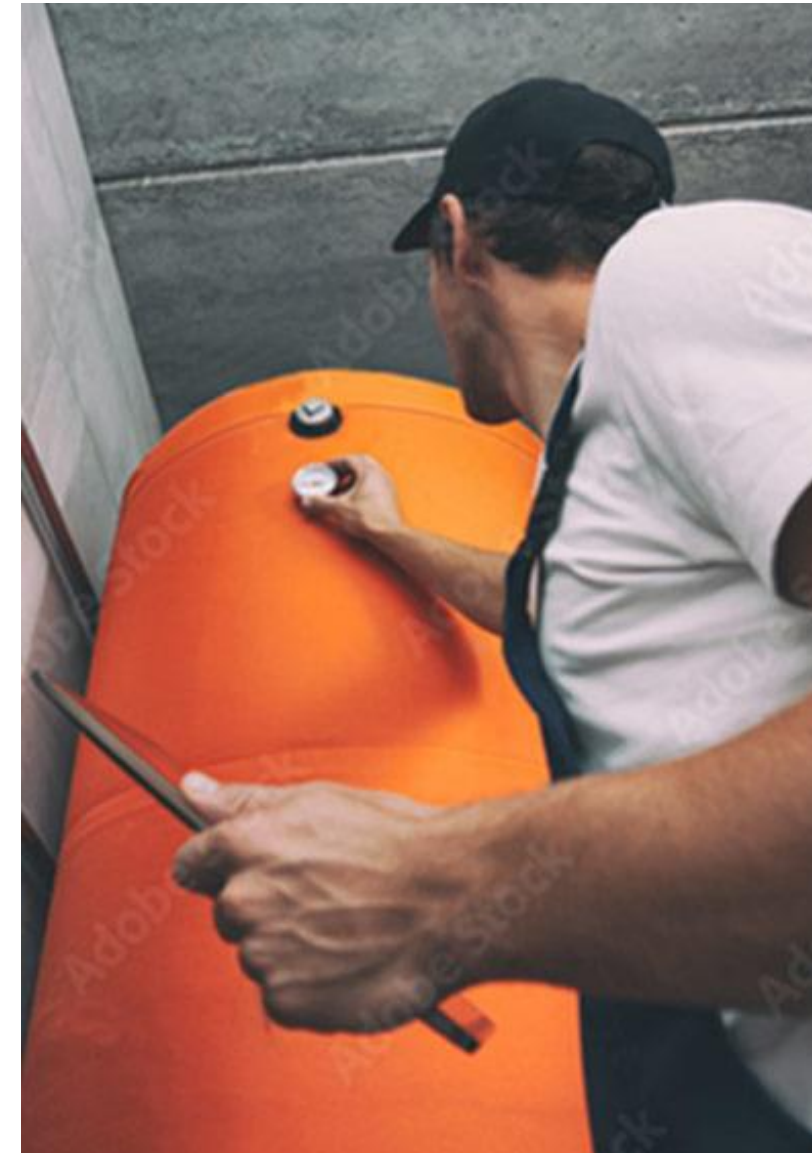
## NSPIRE – A New Standard for Housing Inspections

HUD created NSPIRE—the National Standards for the Physical Inspection of Real Estate—as the new physical inspection model designed to promote HUD’s goal of reducing health and safety hazards in HUD housing.

NSPIRE replaces the Uniform Physical Condition Standards (UPCS) and Housing Quality Standards (HQS) physical inspection programs.

With NSPIRE, inspectors of HUD housing will be able to conduct objective and consistent assessments of housing conditions to support resident health and safety and the habitability of their homes.

Let’s look at why NSPIRE was developed.

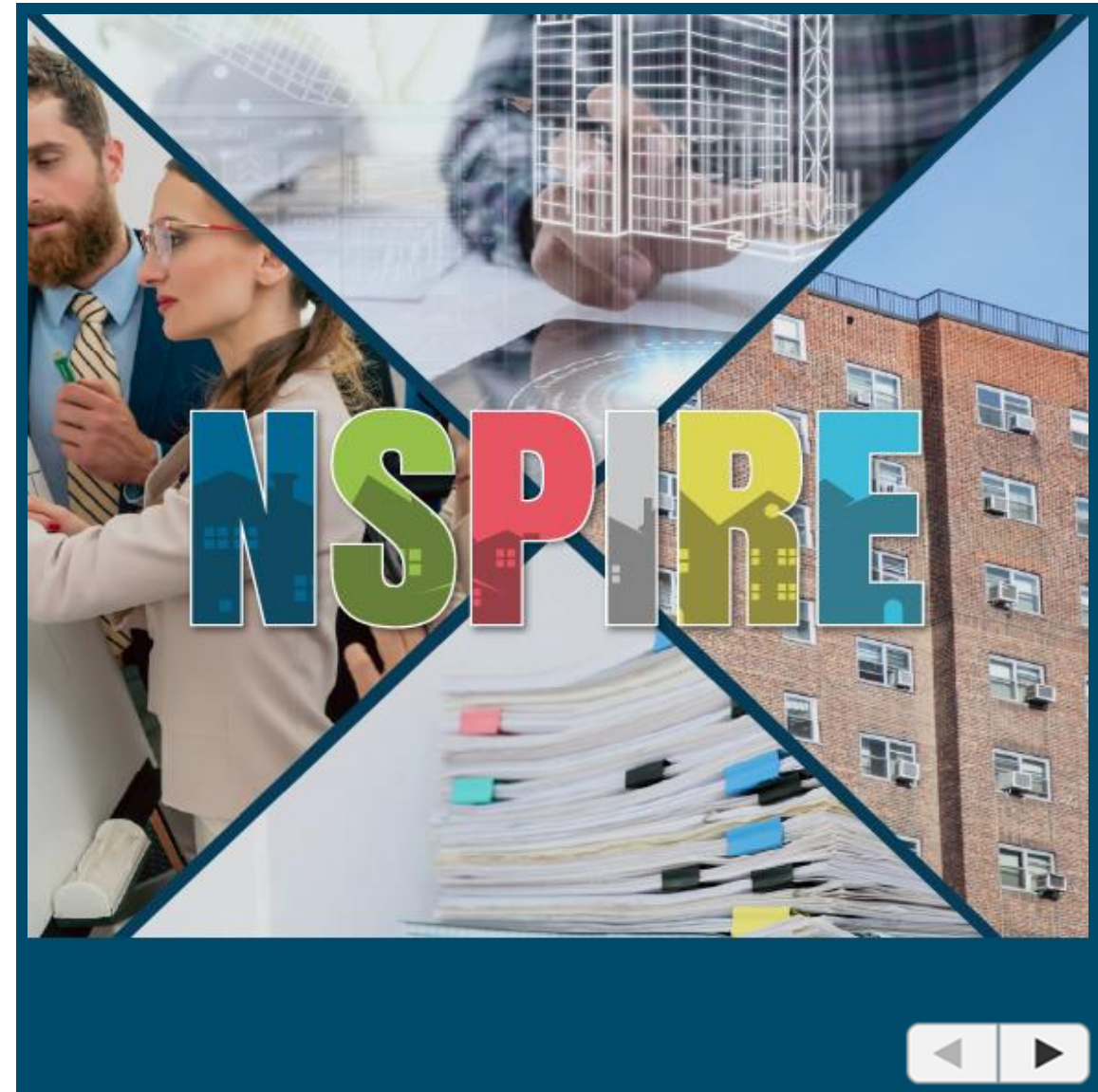


## Why NSPIRE?

HUD needed to reimagine its physical inspection business line to expediently address noncompliance with minimum condition standards. HUD developed NSPIRE to:

- Account for advances in building science and technologies
- Meet stakeholder expectations by understanding and anticipating risks to their housing portfolios
- Comply with policymakers' guidance and direction

NSPIRE features innovative inspection standards, processes, and protocols to support HUD's goal of reducing health and safety hazards in residents' homes.



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## Building Science and Technologies

HUD's inspection standards and processes needed to be updated to account for changes in building science and housing standards and codes.

These include new requirements governing carbon monoxide detectors and the inspection of mold and lead-based paint.

NSPIRE also leverages new technologies to streamline and automate inspection processes and data storage.



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### Higher Stakeholder Expectations

NSPIRE aligns inspection standards across multiple HUD programs under a single standard, while remaining flexible to accommodate program-specific requirements.

A unified quality standard is intended to streamline inspections and yield assessments that more accurately reflect property conditions.

This helps HUD understand and anticipate risks to our stakeholders' properties and promote resident health and safety.



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## Why NSPIRE?

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NSPIRE features innovative inspection standards, processes, and protocols to support HUD's goal of reducing health and safety hazards in residents' homes.



## Policies/Initiatives

NSPIRE aims to support new policies and initiatives by adapting and revising inspection standards to ensure best practices, methods, and technical requirements, creating a safe and sustainable housing environment.



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## NSPIRE Stakeholders

With several million people living in HUD-assisted housing, it goes without saying that NSPIRE has a broad impact.

The stakeholders shown here have an interest in NSPIRE's development and implementation.





## REAC's Management of NSPIRE

The NSPIRE program is administered by HUD's Real Estate Assessment Center (REAC). REAC assesses the condition of HUD owned, assisted, and insured properties.

Under REAC's management, NSPIRE supports HUD's mission to uphold Federal law and regulations requiring taxpayer-supported housing to be "decent, safe, and sanitary."

To ensure that all residents live in safe, habitable dwellings, the items and components located inside the building, outside the building, and within the units of HUD housing must be functionally adequate, operable, and free of health and safety hazards.

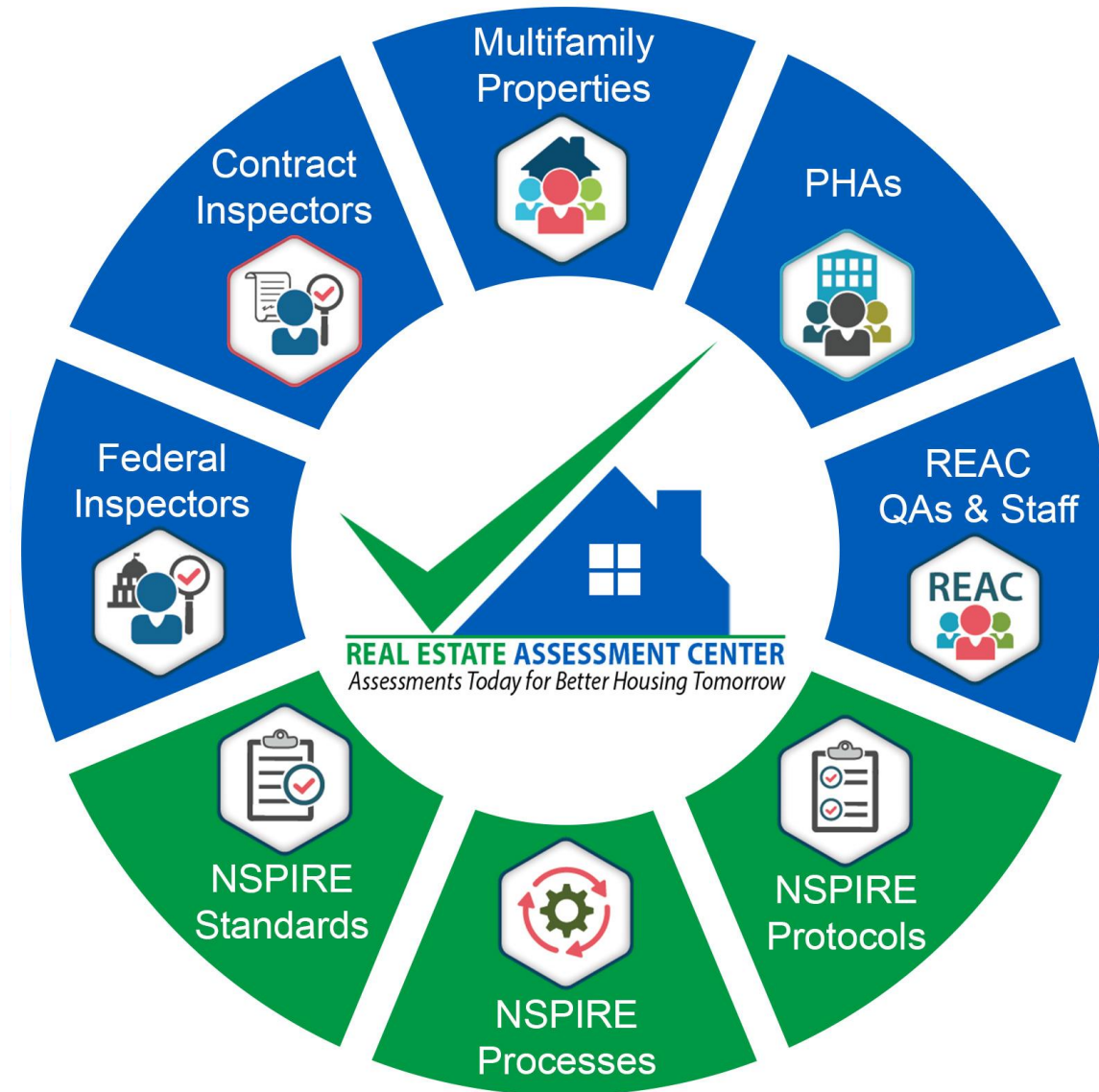


## Stakeholder Engagement and Training

To perform accurate property assessments in support of resident health and safety, HUD relies on:

- Qualified Federal inspectors and contract inspectors
- Multifamily properties, PHAs, and their respective POAs
- REAC Quality Assurance (QA) personnel and other staff

It is important that these stakeholders understand the NSPIRE standards, protocols, and processes to ensure that assessments accurately reflect the condition of properties.





## NSPIRE Rulemaking Process

HUD is using the Federal rulemaking process throughout NSPIRE's development, implementation, and future improvements. When HUD publishes a notice or proposed rule about NSPIRE in the Federal Register, the public can comment and respond to HUD's questions about the proposed regulation.

HUD began reviewing its physical inspection program and housing in 2017 and announced its intent to develop NSPIRE in 2019. HUD has published notices and a proposed rule in the Federal Register regarding:

- Proposed regulatory changes under NSPIRE
- How NSPIRE will promote resident health and safety
- How NSPIRE will be developed and implemented

## NSPIRE Federal Register Notices

NSPIRE notices issued by HUD in the Federal Register include:

- May 23, 2019: Notice of Emergency Approval of an Information Collection, Docket No. FR-7011-N-21
- May 28, 2019: Notice of Continuation of NSPIRE-V Demonstration
- August 14, 2019: 60-Day Notice of Proposed Information Collection: NSPIRE Demonstration
- August 21, 2019: Notice of Demonstration to Assess the NSPIRE and Associated Protocols
- December 12, 2019: 30-Day Notice of Proposed Information Collection NSPIRE Demonstration 2577-0289
- January 13, 2021: Proposed Rule: Implementation of NSPIRE
- June 8, 2021: Notice of Continuation of Demonstration To Test Proposed New Method of Assessing the Physical Conditions of Voucher-Assisted Housing
- September 28, 2021: Notice of Continuation of NSPIRE-V Demonstration
- June 17, 2022: Proposed Rule: Request for Comments: NSPIRE and Associated Protocols
- January 25, 2023: Notice of Modification to the NSPIRE Demonstration
- March 28, 2023: Proposed Rule: Request for Comments: NSPIRE and Associated Protocols, Scoring



## NSPIRE Applicability (1 of 4)

NSPIRE applies to a broad range of HUD programs, including:

- All Public Housing programs
- The Housing Choice Voucher (HCV) and Project Based Voucher (PBV) programs under section 8(o) of the U.S. Housing Act of 1937, part 982 of this title and the PBV program under section 8(o)(13) of the Act and the regulations at part 983 of this title
- All project based programs under Section 8(o) of the U.S. Housing Act of 1937



Slide: 1 of 4



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### Public Housing Programs

NSPIRE applies to all Public Housing programs (which includes programs for housing assisted under the U.S. Housing Act of 1937 other than Section 8 of the Act).

HUD's Public Housing programs provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities.

Public Housing program residences come in all sizes and types, from single-family houses to high-rise apartments.



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- All project based programs under Section 8(o) of the U.S. Housing Act of 1937



### HCV and PBV Programs

The HCV program offers rental subsidies for tenants to rent units in the private market. It is the Federal Government's major program for assisting very low-income families, elderly people, and disabled people to afford decent, safe, and sanitary housing in the private market.

The PBV program provides rental assistance for eligible families who live in specific housing developments or units.



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- All project based programs under Section 8(o) of the U.S. Housing Act of 1937



### Project Based Section 8 Programs

Project based Section 8 programs help families to obtain decent, safe, and sanitary housing. Subsidies make up the difference between what HUD residents can afford and are attached to specific buildings or units.



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## NSPIRE Applicability (2 of 4)

NSPIRE also applies to the following programs:

- Rental Housing Insurance (Section 207 of the National Housing Act [NHA] [12 U.S.C. 1701 et seq.])
- Cooperative Housing Insurance (Section 213)
- Rehabilitation and Neighborhood Conservation Housing Insurance (Section 220)
- Market Interest Rate (Section 221(d)(3))
- Supportive Housing for the Elderly (Section 202)



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## NSPIRE Applicability (2 of 4)

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- Cooperative Housing Insurance (Section 213)
- Rehabilitation and Neighborhood Conservation Housing Insurance (Section 220)
- Market Interest Rate (Section 221(d)(3))
- Supportive Housing for the Elderly (Section 202)



### Rental Housing Insurance

The Section 207 Rental Housing Insurance program insures mortgage loans to finance the construction or rehabilitation of a broad range of rental housing. Section 207 mortgage insurance is no longer used for new construction and substantial rehabilitation, but it is the primary insurance vehicle for the Section 223(f) refinancing program.



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## NSPIRE Applicability (2 of 4)

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- Rehabilitation and Neighborhood Conservation Housing Insurance (Section 220)
- Market Interest Rate (Section 221(d)(3))
- Supportive Housing for the Elderly (Section 202)



### Mortgage Insurance for Cooperative Housing

The Section 213 program insures mortgage loans to facilitate the construction, substantial rehabilitation, and purchase of cooperative housing projects. Each member shares in the ownership of the whole project with the exclusive right to occupy a specific unit and to participate in project operations through the purchase of stock.



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## NSPIRE Applicability (2 of 4)

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- Rental Housing Insurance (Section 207 of the National Housing Act [NHA] [12 U.S.C. 1701 et seq.])
- Cooperative Housing Insurance (Section 213)
- Rehabilitation and Neighborhood Conservation Housing Insurance (Section 220)
- Market Interest Rate (Section 221(d)(3))
- Supportive Housing for the Elderly (Section 202)



### Rehabilitation and Neighborhood Conservation Housing Insurance

The Section 220 program offers mortgage insurance for housing in urban renewal areas, areas in which concentrated revitalization or code enforcement activities have been undertaken by local government, or to alter, repair, or improve housing in those areas.



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## NSPIRE Applicability (2 of 4)

NSPIRE also applies to the following programs:

- Rental Housing Insurance (Section 207 of the National Housing Act [NHA] [12 U.S.C. 1701 et seq.])
- Cooperative Housing Insurance (Section 213)
- Rehabilitation and Neighborhood Conservation Housing Insurance (Section 220)
- Market Interest Rate (Section 221(d)(3))
- Supportive Housing for the Elderly (Section 202)



### Market Interest Rate Program

The Section 221(d)(3) Market Interest Rate program is one of HUD's major insurance programs for newly constructed or substantially rehabilitated multifamily rental housing, including projects designated for elderly residents.



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## NSPIRE Applicability (2 of 4)

NSPIRE also applies to the following programs:

- Rental Housing Insurance (Section 207 of the National Housing Act [NHA] [12 U.S.C. 1701 et seq.])
- Cooperative Housing Insurance (Section 213)
- Rehabilitation and Neighborhood Conservation Housing Insurance (Section 220)
- Market Interest Rate (Section 221(d)(3))
- Supportive Housing for the Elderly (Section 202)



### Supportive Housing for the Elderly

The Section 202 Supportive Housing for the Elderly program provides capital advances and contracts for project rental assistance to expand the supply of affordable housing with voluntary supportive services for very low-income elderly persons and funding for enhanced services and research on the supportive services model.

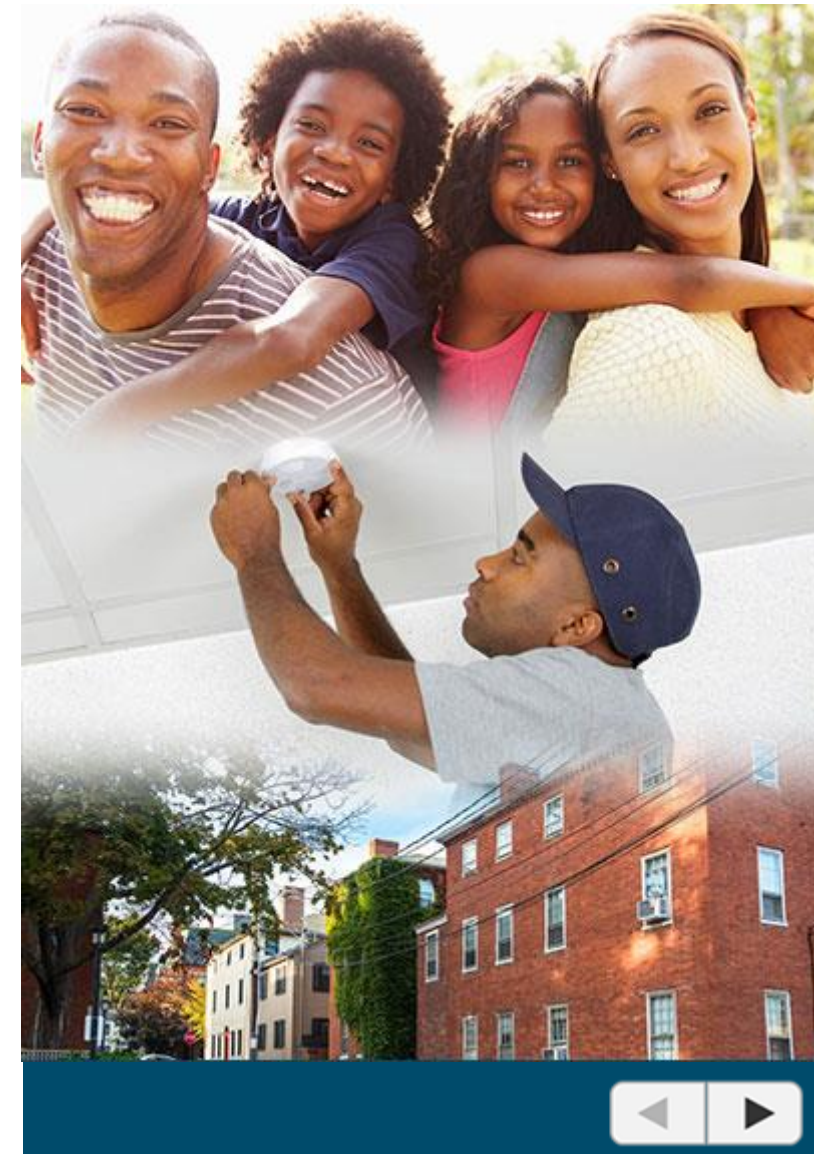


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## NSPIRE Applicability (3 of 4)

NSPIRE also applies to these programs:

- Below Market Interest Rate (Section 221(d)(3) and (5))
- Housing for Moderate-Income and Displaced Families (Section 221(d)(4))
- Housing for Elderly Persons (Section 231)
- Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, Assisted-Living Facilities, Board and Care Homes (Section 232)
- Program of Supportive Housing for Persons with Disabilities (Capital Advances) (Section 811)



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## NSPIRE Applicability (3 of 4)

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- Program of Supportive Housing for Persons with Disabilities (Capital Advances) (Section 811)



### Below Market Interest Rate Program

The Section 221(d)(3) and (5) Below Market Interest Rate program offers multifamily rental housing with a below-market interest rate.



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- Housing for Moderate-Income and Displaced Families (Section 221(d)(4))
- Housing for Elderly Persons (Section 231)
- Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, Assisted-Living Facilities, Board and Care Homes (Section 232)
- Program of Supportive Housing for Persons with Disabilities (Capital Advances) (Section 811)



### Housing for Moderate-Income and Displaced Families

The Section 221(d)(4) Housing for Moderate-Income and Displaced Families program insures mortgage loans to facilitate the new construction or substantial rehabilitation of multifamily rental or cooperative housing for moderate-income families, elderly, and the handicapped.



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## NSPIRE Applicability (3 of 4)

NSPIRE also applies to these programs:

- Below Market Interest Rate (Section 221(d)(3) and (5))
- Housing for Moderate-Income and Displaced Families (Section 221(d)(4))
- Housing for Elderly Persons (Section 231)
- Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, Assisted-Living Facilities, Board and Care Homes (Section 232)
- Program of Supportive Housing for Persons with Disabilities (Capital Advances) (Section 811)



### Housing for Elderly Persons

The Section 231 Housing for Elderly Persons program provides mortgage insurance to finance the construction or rehabilitation of multifamily rental housing for the elderly and persons with disabilities.



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## NSPIRE Applicability (3 of 4)

NSPIRE also applies to these programs:

- Below Market Interest Rate (Section 221(d)(3) and (5))
- Housing for Moderate-Income and Displaced Families (Section 221(d)(4))
- Housing for Elderly Persons (Section 231)
- Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, Assisted-Living Facilities, Board and Care Homes (Section 232)
- Program of Supportive Housing for Persons with Disabilities (Capital Advances) (Section 811)



### **Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, Assisted-Living Facilities, Board and Care Homes**

The Section 232 program provides mortgage insurance to finance the purchase, construction, or rehabilitation of nursing homes, assisted-living facilities, intermediate care, board-and-care facilities, and fire safety equipment.



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## NSPIRE Applicability (3 of 4)

NSPIRE also applies to these programs:

- Below Market Interest Rate (Section 221(d)(3) and (5))
- Housing for Moderate-Income and Displaced Families (Section 221(d)(4))
- Housing for Elderly Persons (Section 231)
- Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, Assisted-Living Facilities, Board and Care Homes (Section 232)
- Program of Supportive Housing for Persons with Disabilities (Capital Advances) (Section 811)



### **Program of Supportive Housing for Persons with Disabilities (Capital Advances)**

The Section 811 program provides supportive housing for very low- and extremely low-income persons with disabilities that allow them to live independently with the availability of voluntary support activities such as cleaning, cooking, and transportation.



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## NSPIRE Applicability (4 of 4)

NSPIRE also applies to these programs:

- Mortgage Insurance for Condominiums (Section 234(d)) (Rental)
- Rental and Cooperative Housing for Lower Income Families (Section 236)
- Supplemental Loans for Multifamily Projects (Section 241)
- Housing Finance Agency Risk Sharing (Section 542(c) of the Housing and Community Development Act of 1992)
- Loan Program for Projects for the Elderly and Handicapped (Section 202)



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## NSPIRE Applicability (4 of 4)

NSPIRE also applies to these programs:

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- Supplemental Loans for Multifamily Projects (Section 241)
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- Loan Program for Projects for the Elderly and Handicapped (Section 202)



### Mortgage Insurance for Condominiums

The Section 234(d) Mortgage Insurance for Condominiums program insures blanket mortgages for the construction or substantial rehabilitation of multifamily projects to be sold upon completion as individual condominium units.



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## NSPIRE Applicability (4 of 4)

NSPIRE also applies to these programs:

- Mortgage Insurance for Condominiums (Section 234(d)) (Rental)
- Rental and Cooperative Housing for Lower Income Families (Section 236)
- Supplemental Loans for Multifamily Projects (Section 241)
- Housing Finance Agency Risk Sharing (Section 542(c) of the Housing and Community Development Act of 1992)
- Loan Program for Projects for the Elderly and Handicapped (Section 202)



### Rental and Cooperative Housing for Lower Income Families

The Section 236 program provides interest subsidies for lower mortgage interest rates to qualifying projects offering low-cost rental housing. This program no longer assists new mortgage loans, but existing Section 236 properties continue to operate under the program.



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## NSPIRE Applicability (4 of 4)

NSPIRE also applies to these programs:

- Mortgage Insurance for Condominiums (Section 234(d)) (Rental)
- Rental and Cooperative Housing for Lower Income Families (Section 236)
- Supplemental Loans for Multifamily Projects (Section 241)
- Housing Finance Agency Risk Sharing (Section 542(c) of the Housing and Community Development Act of 1992)
- Loan Program for Projects for the Elderly and Handicapped (Section 202)



### Supplemental Loans for Multifamily Projects

The Section 241 Supplemental Loans for Multifamily Projects program offers mortgage insurance to finance improvements and additions to, and equipment for, multifamily rental housing and healthcare facilities.



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## NSPIRE Applicability (4 of 4)

NSPIRE also applies to these programs:

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- Rental and Cooperative Housing for Lower Income Families (Section 236)
- Supplemental Loans for Multifamily Projects (Section 241)
- Housing Finance Agency Risk Sharing (Section 542(c) of the Housing and Community Development Act of 1992)
- Loan Program for Projects for the Elderly and Handicapped (Section 202)



### Housing Finance Agency Risk Sharing Program

Section 542(c) of the Housing and Community Development Act of 1992 enables HUD to carry out a program in conjunction with qualified State and local housing finance agencies (HFAs) to provide Federal credit enhancement for affordable multifamily housing loans through a system of risk-sharing agreements.



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## NSPIRE Applicability (4 of 4)

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- Supplemental Loans for Multifamily Projects (Section 241)
- Housing Finance Agency Risk Sharing (Section 542(c) of the Housing and Community Development Act of 1992)
- Loan Program for Projects for the Elderly and Handicapped (Section 202)



### Loan Program for Projects for the Elderly and Handicapped

The Section 202 Loan Program for Projects for the Elderly and Handicapped offers loans to private nonprofit corporations and consumer cooperatives for new or substantially rehabilitated housing and facilities to serve the elderly, physically handicapped, developmentally disabled, or chronically mentally ill adults.



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## HUD REAC Physical Inspection Alignment Program

HUD's Physical Inspection Alignment Program generates efficiencies across Federal and State housing programs by providing them with REAC-certified inspection reports for common properties. It applies to these programs:

- Federal Housing Administration (FHA)-Insured Loan or HUD Direct Loan/Capital Advance (Section 202/811)
- HUD-Multifamily Non-Insured Rental Assistance (Section 8 HAP, PRAC, etc.)
- Internal Revenue Service (IRS)/HFA Low-Income Housing Tax Credit (LIHTC)
- U.S. Department of Agriculture (USDA) Rural Development (Section 515 Loans).



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- Internal Revenue Service (IRS)/HFA Low-Income Housing Tax Credit (LIHTC)
- U.S. Department of Agriculture (USDA) Rural Development (Section 515 Loans).



### FHA-Insured Loan or HUD Direct Loan/Capital Advance

The Section 202/811 FHA-Insured Loan or HUD Direct Loan/Capital Advance program offers property owners the opportunity to apply for a capital advance to assist in financing a rental housing project to house either elderly persons or persons with disabilities.



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- HUD-Multifamily Non-Insured Rental Assistance
- Internal Revenue Service (IRS)/HFA Low-Income Housing Tax Credit (LIHTC)
- U.S. Department of Agriculture (USDA) Rural Development (Section 515 Loans).



### HUD-Multifamily Non-Insured Rental Assistance

Under the HUD-Multifamily Non-Insured Rental Assistance Program, qualified tenants may receive housing assistance via Section 8 Housing Assistance Payments (HAP), Section 202 Project Rental Assistance Contracts (PRAC), or other subsidies.



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- HUD-Multifamily Non-Insured Rental Assistance
- Internal Revenue Service (IRS)/HFA Low-Income Housing Tax Credit (LIHTC)
- U.S. Department of Agriculture (USDA) Rural Development (Section 515 Loans).



### IRS/HFA Low-Income Housing Tax Credit

The IRS/HFA Low-Income Housing Tax Credit program addresses the mismatch between housing supply and demand by encouraging developers to build units specifically allocated for residents with incomes below their area median income.



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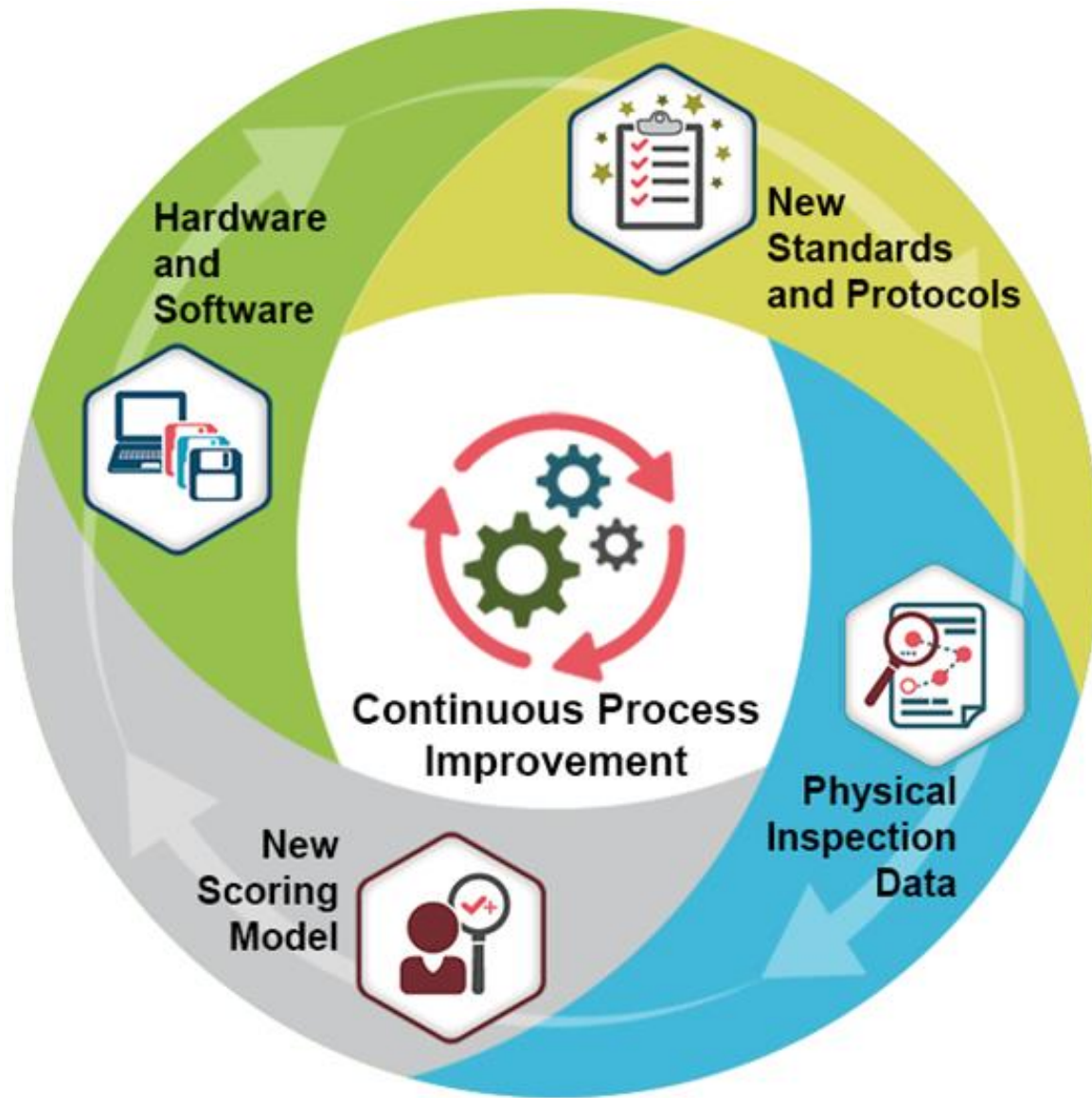


### USDA Rural Development Loans

Section 515 USDA Rural Development loans give families and individuals the opportunity to buy, build, or repair affordable homes in rural America. Eligibility for these loans, loan guarantees, and grants is based on income and varies according to the average median income for each area.



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## NSPIRE Development

HUD evaluated NSPIRE's effectiveness in reducing health and safety risks to residents in a multiyear demonstration with approximately 4,500 participating properties. For continuous process improvement, HUD conducted field testing to test and refine:

- New quality standards and inspection protocols
- Physical inspection data
- The new scoring model
- Hardware and software

After implementation, HUD will publish notices in the Federal Register about updates to the standards and scoring model at least every three years.

## Topic 2: How NSPIRE Improves Housing Assessments

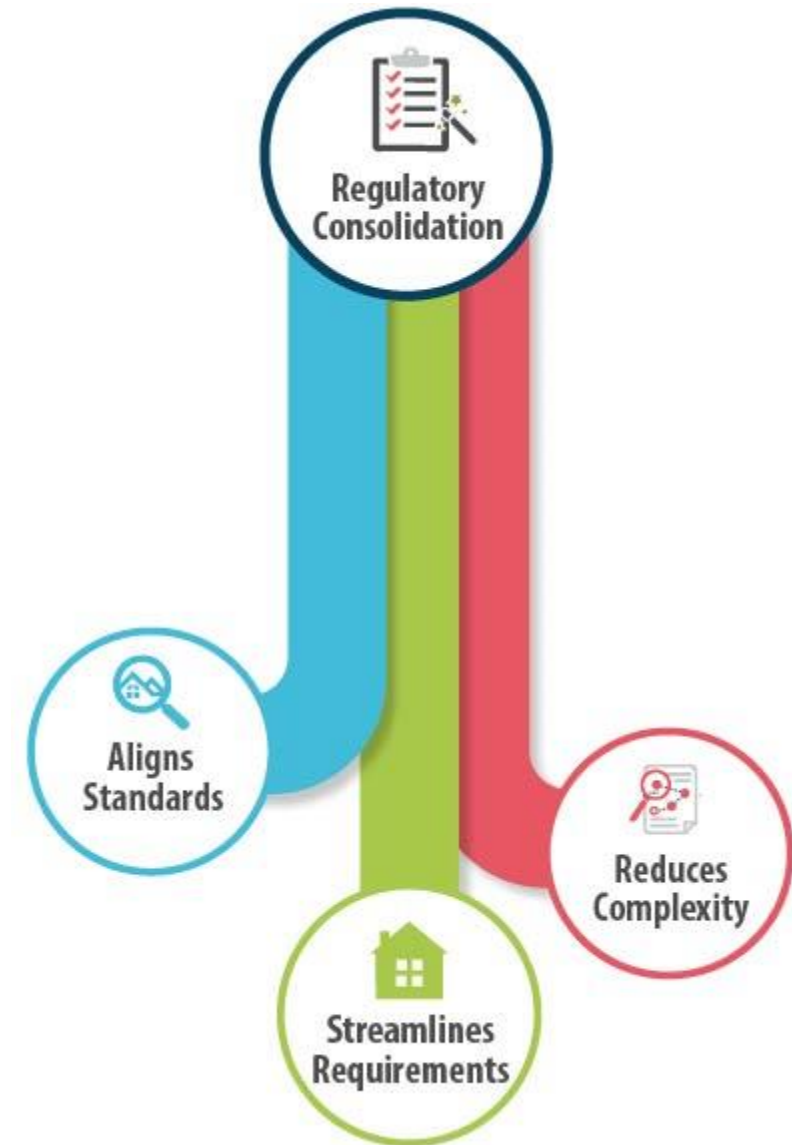


## Regulatory Consolidation and Standards Alignment

Let's take a closer look at how NSPIRE improves housing assessments to support HUD's goal of reducing risks to the health and safety of residents living in HUD housing.

NSPIRE consolidates housing quality regulations in one location, 24 CFR part 5, while accommodating varying program requirements. This regulatory consolidation offers significant benefits:

- It aligns inspection standards and creates a unified expectation of housing quality throughout HUD housing.
- Requirements across housing programs are easier to find and understand.
- Complexity for properties participating in multiple HUD programs is significantly reduced.





## Focus on Deficiencies

Under NSPIRE, physical inspections focus on deficiencies that matter most for the health and safety of residents and the habitability of their homes.

NSPIRE deficiencies are determined using risk criteria aimed to detect key issues affecting safety and habitability using a noninvasive, predominantly visual physical inspection.

Each NSPIRE inspection standard lists one or more deficiencies with clarifications and supporting information to help inspectors correctly assess defects in the built environment.



## Deficiency Rationales to Support Health and Safety

To improve assessment accuracy and consistency, the NSPIRE standards use objective language to reduce subjective interpretation by inspectors. Every deficiency in an NSPIRE standard is supported by at least one rationale. A deficiency rationale is a clear and concise explanation of the risk a defect presents.

Deficiency rationales are supported by public health research and best practices from risk analysis frameworks. This helps HUD ensure it is inspecting the right things the right way to promote resident health and safety.



## Health and Safety Determination

Each NSPIRE deficiency is assigned a Health and Safety (H&S) determination that is supported by one or more rationales. There are four categories or severity levels: Low, Moderate, Severe, and Life-Threatening.

A deficiency's H&S determination and its location on the property affect how it is scored. Life-Threatening deficiencies found in the Unit carry the most weight.

The H&S determination also affects the timeframe for correcting the deficiency. All Life-Threatening deficiencies must be corrected within 24 hours.

You will learn more about the NSPIRE H&S determination categories in the next module.



## Simplified Inspectable Areas

NSPIRE simplifies the classification of inspectable areas without reducing the scope of inspectable items. Inspectors will assess defects in three inspectable areas:

- Unit
- Inside
- Outside

This change reduces subjectivity regarding deficiency locations. It increases the readability of the standards, streamlines the inspection process, and emphasizes the importance of residential units.



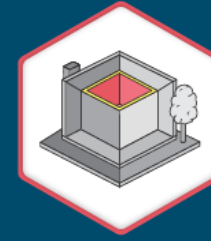
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## Simplified Inspectable Areas

NSPIRE simplifies the classification of inspectable areas without reducing the scope of inspectable items. Inspectors will assess defects in three inspectable areas:

- Unit
- Inside
- Outside

This change reduces subjectivity regarding deficiency locations. It increases the readability of the standards, streamlines the inspection process, and emphasizes the importance of residential units.



### Unit Inspectable Area

A unit (or “dwelling unit”) of HUD housing refers to the interior components of an individual unit. Examples of components in the interior of a unit may include the bathroom, call-for-aid (if applicable), ceiling, doors, electrical systems, floors, water heater, HVAC (where individual units are provided), kitchen, lighting, outlets, switches, smoke detectors, stairs, walls, and windows.



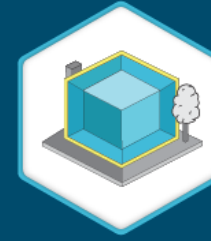
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### Inside Inspectable Area

Inside of HUD housing 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, day care 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, electricity, elevators, emergency power, fire protection, HVAC, and sanitary services.



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### Outside Inspectable Area

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, car ports, fire escapes, foundations, lighting, roofs, walls, and windows.



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## NSPIRE Inspections

NSPIRE provides multiple ways to track housing performance and enforce compliance with housing standards. These include:

- Self-inspections conducted by properties
- NSPIRE inspections conducted by Federal and contract inspectors
- NSPIRE Discretionary (Special) inspections



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### Self-Inspections

By making regular, comprehensive self-inspections and reporting a part of each covered property's physical assessment regiment, HUD will signal a focus on identifying and mitigating risks to resident health and safety. Self-inspections are a key component of ensuring properties are maintained year-round and encourage regular, preventative maintenance rather than "just-in-time" repairs ahead of HUD-conducted inspections.



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### NSPIRE Inspections

NSPIRE inspections are conducted mainly by Federal inspectors and contract inspectors every one to three years, depending on a property's previous inspection score. These inspections focus on items and deficiencies that are deemed to be the most important indicators of health and safety impacting our residents. NSPIRE inspections use a sample rate intended to give HUD a high-level of confidence in the properties physical condition.



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### NSPIRE Discretionary (Special) Inspections

HUD Federal inspectors and contract inspectors conduct these inspections, which may be triggered by poor property conditions or be requested by other HUD offices. NSPIRE Discretionary Inspections may be off cycle and may use a higher sampling rate. Scoring results provide evidence-based data to justify and support enforcement actions.



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## Assessment Scoring Model

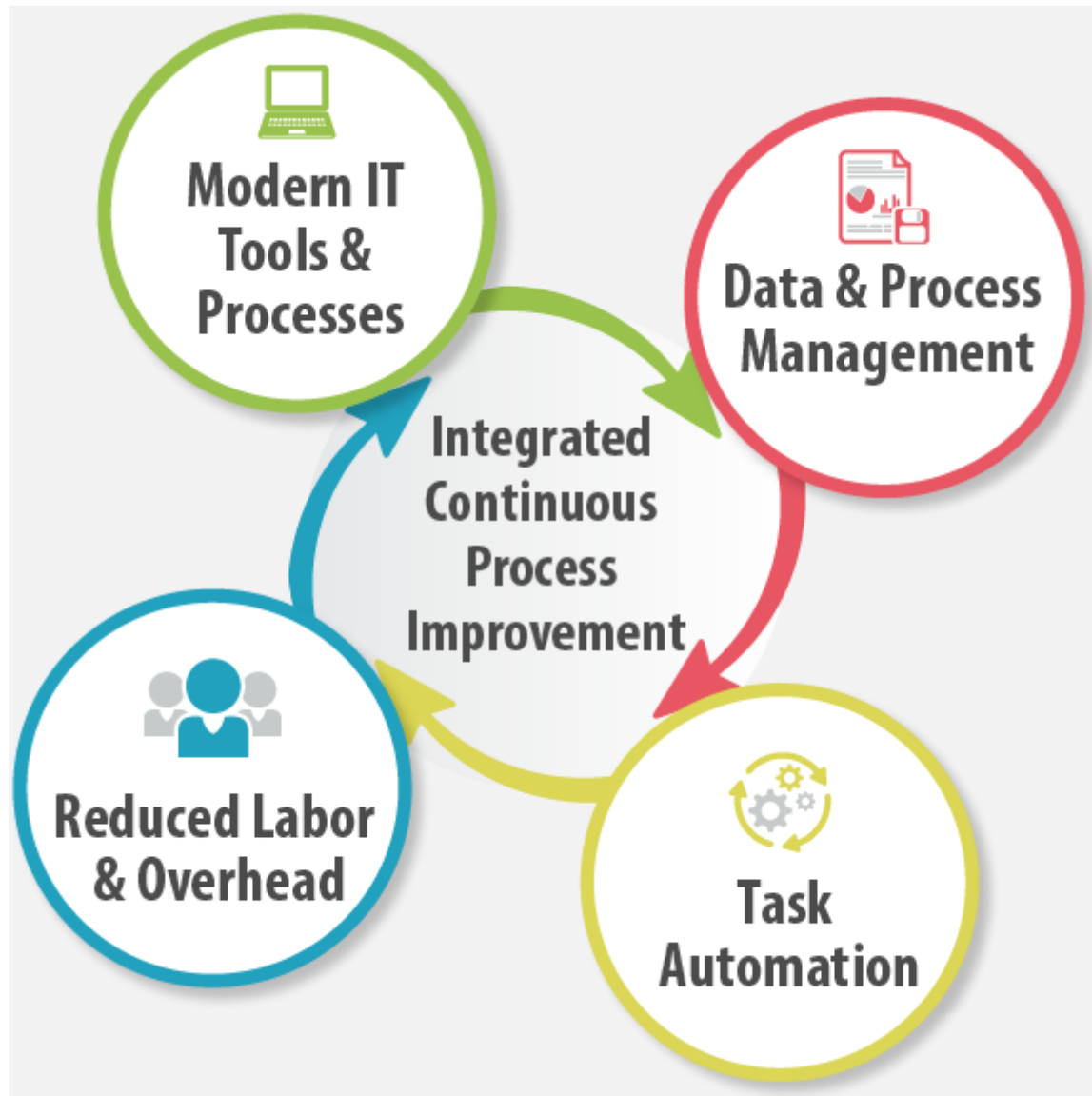
NSPIRE's improved scoring model is intended to provide a more accurate representation of a property's physical condition, while simplifying scoring and reducing administrative errors.

NSPIRE's scoring model prioritizes health and safety over appearance and functionality defects. For example, a misaligned chimney or flue is heavily weighted because it is a life-threatening defect, while superficial damage such as rust is not a deficiency.

Deficiency scoring is also influenced by the inspectable area. Deficiencies found within the Unit are more heavily weighted than those found in the Inside and Outside inspectable areas.

Because of NSPIRE's focus on resident health and safety, unsafe properties will not receive a passing score.





## Use of New Technology and Data

The NSPIRE business process design features integrated continuous process improvement and provides benefits to HUD Program Offices and Field Offices:

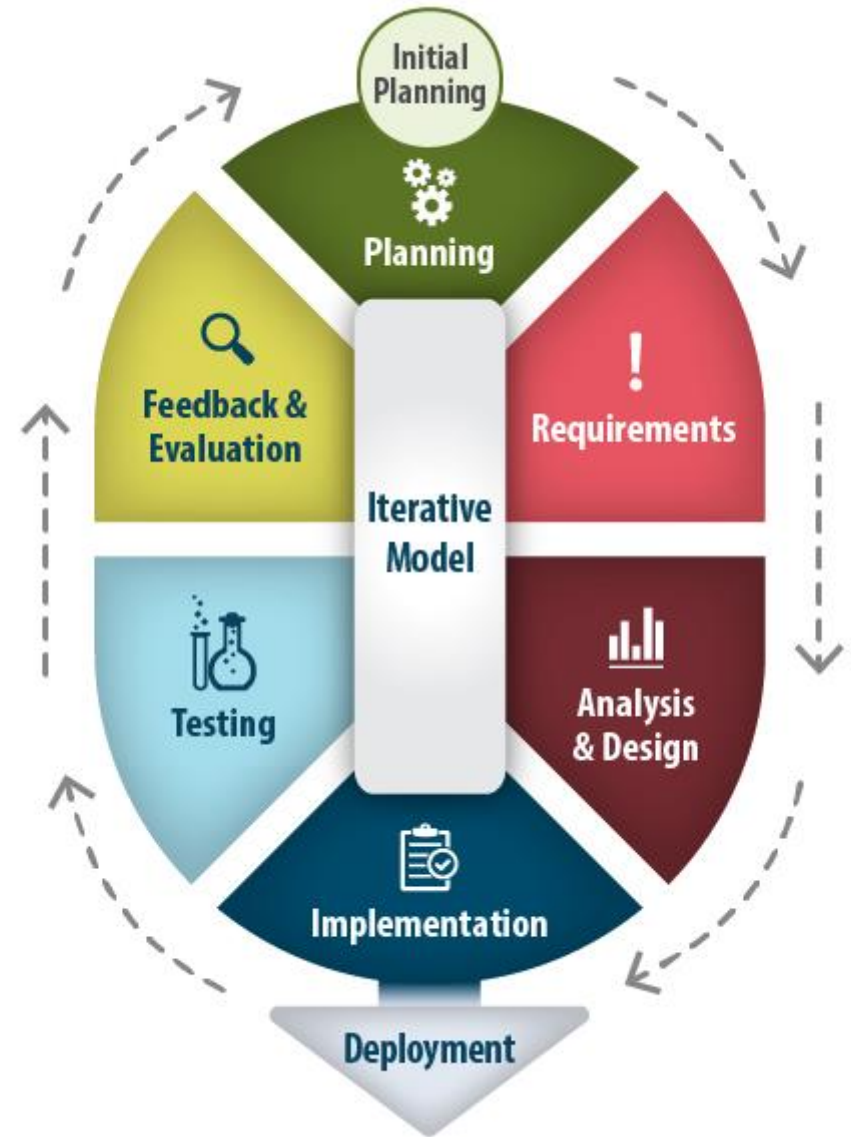
- Modernized IT tools and processes to streamline housing assessments
- New sources of data, including annual self-inspections, to support analytics, asset management, and inspection ordering and scheduling
- Automation of redundant tasks, where possible
- Reduced labor and overhead

## Continuous Improvement of NSPIRE

NSPIRE integrates a continuous improvement methodology to regularly update standards, processes, and protocols after implementation:

- HUD will publish updated standards and scoring methodologies in the Federal Register at least once every three years.
- The public will be able to comment and make recommendations.
- REAC analysts will study the impact of changes for further revisions.

NSPIRE standardizes language to support continuous improvement and reduce confusion about the regulations.





## Module Summary

Congratulations! You have successfully completed Module 1, NSPIRE Overview.

In this module, you learned to:

- Identify the reasons for creating NSPIRE.
- Identify how NSPIRE improves assessments of HUD housing to promote resident health and safety and the habitability of their homes.