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GENERAL NEWS

HUD Publishes Proposed NSPIRE Scoring Notice in *Federal Register*

Last Friday we reported that the Department of Housing and Urban Development ([HUD](#)) released a [pre-publication copy](#) of its proposed NSPIRE scoring notice, which describes the scoring and ranking methodology to implement HUD’s final NSPIRE rule for public housing and multifamily housing programs. Today HUD has officially published the [notice](#) in the *Federal Register*. Below are some highlights:

- The notice will apply to all HUD housing currently inspected by REAC, including public housing and multifamily housing programs such as project-based rental assistance, FHA insured, and sections 202 and 811.
- For properties previously subject to UPCS, HUD intends to continue setting the maximum score to 100 for a property with no deficiencies, and deducting points based on the scoring methodology. HUD will supplement this score with letter grades to make clear to residents, PHAs, property owners/agents, and other stakeholders how the numerical score relates to the condition of the property.
- The NSPIRE scoring methodology converts observed defects into a numerical score and sets a threshold for HUD to perform additional administrative oversight by establishing a level for when a property fails an inspection (less than 60 points) and when an enforcement referral is automatic or required (less than or equal to 30 points).
- HUD intends to score deficiencies based on two factors: severity and location. The categories of severity are Life-Threatening (LT), Severe, Moderate, and Low. The location categories are the unit, inside, and outside. In-unit deficiencies are weighted more heavily, meaning that properties with such deficiencies would be more likely to fail.
- HUD will weigh these factors using a Defect Impact Weight methodology. A LT deficiency inside a unit will lead to the largest deduction and a Low deficiency observed outside the property will lead to the smallest deduction.
- Calculated scores will be rounded to the nearest whole number with one exception. For properties that score between 59 and 60, the score will be rounded down to 59.
- HUD intends to continue using the zero to 100-point scale for purposes of (but not limited to) frequency of inspections, enforcement, PHAS designations, participation evaluation, and risk assessment.
- HUD will not score smoke detectors but will continue to use an asterisk to denote identified smoke detector defects. Even though these defects are not scored, they are classified as LT defects and must be corrected within the timelines established by the Department. HUD will also follow this policy for carbon monoxide devices.
- During the first 12 months of NSPIRE inspections, HUD will not score new affirmative requirements that are not in UPCS but included in the NSPIRE [proposed rule](#). However, HUD will provide a score of record for administrative purposes.
- The notice calls for a statistically significant sample of units to achieve a 90 percent confidence level with a six percent margin of error for its inspections. HUD intends to increase the maximum number of units to 32.
- Under the NSPIRE scoring and sampling methodology, building-level sampling will be driven by units. For any building that contains a unit in the inspection sample, the building will also be inspected.
- The scoring notice removes point values calculated and assigned to specific buildings or units. It also removes the severity and criticality levels and item and area-based limits and scoring weight distribution along with point caps.
- Until all inspections are completed under NSPIRE, a PHA’s physical condition indicator will continue to be based on the most recent UPCS scoring and unit-weighted average.

Comments are due **April 27, 2023**. Questions on the proposed scoring notice can be sent directly to [NSPIRERegulations@hud.gov](mailto:NSPIRERegulations@hud.gov).



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