



May 10, 2023

GENERAL NEWS

HUD Issues Prepublication Copy of NSPIRE Final Rule

The Department of Housing and Urban Development ([HUD](#)) has released a [prepublication copy](#) of its final rule for the National Standards for the Physical Inspection of Real Estate ([NSPIRE](#)). The document covers information about the implementation timeline, frequency of the inspections, and affirmative requirements. It also provides updates based on the comments made to the [proposed rule](#). Some highlights of the 222-page document include:

- The effective date for the public housing program is **July 1, 2023**. The effective date for the Multifamily Housing, Housing Choice Voucher (HCV), Project-Based Voucher (PBV), and CPD programs is **October 1, 2023**.
- HUD will prioritize PHAs with a fiscal year end of June 30, 2023, to receive their next inspection under the updated regulations.
- HUD specifies that during the initial year of the NSPIRE implementation, an inspection "shall be conducted no earlier than six months before and no later than six months after the date marking the anniversary of the previous inspection" for a period of one year after the effective date of the final rule.
- After the transition period, the time frame will return to "no earlier than three months before and no later than three months after the date marking the anniversary of the previous inspection" or at a time period approved by HUD upon a PHA's or owner's good cause request.
- HUD makes clear that it may extend inspection deadlines without the PHA or owner's request to account for situations in which HUD decides to grant a general extension, such as in an emergency.
- Further transition information will be provided in three core "subordinate notices" that will follow the final rule: the NSPIRE standards notice, the NSPIRE scoring notice, and the NSPIRE administrative notice.
- The new framework for inspection focuses on inside the building, outside the building and within the units of HUD housing and ensures that they are "functionally adequate, operable, and free of health and safety hazards."
- The final rule states that tenants may recommend units for inspection. Any units inspected in addition to the standard unit sample will not be part of the property's score, but the owner or PHA will be required to repair any identified deficiencies.
- The final rule removes the restriction that inspections must be done in the calendar year in which they are due.
- HUD will continue using the current "3-2-1" year intervals between inspections depending on the score.
- The final rule requires self-inspections for all properties on an annual basis, however, only properties scoring below 60 will be required to transmit a report with the results. For the other properties, the owner or PHA are required to maintain records for three years and provide the results to HUD upon request.
- PHAs will be allowed to do self-inspections as part of the follow-up inspections.
- Properties of PHAs that meet the definition of small rural will be inspected every three years.
- Life-Threatening and Severe health and safety deficiencies must be corrected within 24 hours, and owners and PHAs must provide electronic evidence that they have addressed these deficiencies. HUD removes the requirement to provide electronic evidence of correction of Moderate deficiencies.

The final rule is scheduled to be published in the *Federal Register* tomorrow May 11, 2023.



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