



June 17, 2022

## GENERAL NEWS

### HUD Posts FSS Final Rule Materials

On the Family Self-Sufficiency ([FSS](#)) program webpage, the Department of Housing and Urban Development ([HUD](#)) has posted new materials related to the [final rule](#), published on May 17, 2022, which amends HUD's regulations to implement changes to the FSS program. The published resources include:

- [Slides from the FSS Final Rule Webinar](#)
- [FSS Final Rule & Escrow FAQ](#) (including instructions for submitting the FSS Action Plan for review)
- [FSS Action Plan Checklist](#)

According to the website, links to other resources will be added as they are available.

### HUD Solicits Comments on Proposed NSPIRE Protocols

In a *Federal Register* [notice](#) today, HUD requested public review and comments on proposed physical inspection standards for the National Standards for the Physical Inspection of Real Estate ([NSPIRE](#)) that would accompany the upcoming final rule. As you know, the NSPIRE demonstration was announced in 2019 to overhaul HUD's inspection process and test new approaches for making certain PHAs and owners provide housing that is safe and livable. NSPIRE will eventually be implemented as a single inspection protocol for public housing and HCV units.

In addition to the proposed standards outlined in the notice, HUD is also requesting comments on proposed changes to the list of "life-threatening conditions" that it will incorporate into the NSPIRE standards in place of codifying the original list proposed in a previous Housing Opportunities through Modernization Act (HOTMA) [implementation notice](#). HUD will consider comments received through this request before publishing a final notice of standards.

HUD is also seeking responses to specific questions regarding additional possible changes that have not yet been proposed, including:

- Amending the Mold-Like Substance standard to include a deficiency or criteria related to mold risk.
- Adding the term *safe* to the regulations at [24 CFR 5.703](#) addressing drinking water.
- Whether permanently installed heating sources are necessary in housing located in perennially warm climates.
- Adding distinct severity levels to and further amending the deficiency "A permanently installed heating source is damaged, inoperable, missing, or not installed and the outside temperature is below 68 degrees Fahrenheit," proposing new deficiencies regarding the

requirement for permanently installed heating sources, and also defining the term *permanently installed heating sources*.

- Amending the deficiency “Unprotected outlet is present within six feet of a water source” to allow using a receptacle tester with a ground fault circuit interrupter (GFCI) test button.
- Adding a deficiency to the Electrical—Conductor standard to address leaks onto or near electrical components.
- Amending the correction timeframes categorized as “Severe Non-Life-Threatening” where a corrective action may not be technically feasible within 24 hours.
- Creating new deficiencies for the Infestation standard for extensive infestations for the pest deficiencies, which currently lack an extensive deficiency, in addition to amending the standard to create a longer timeframe of repair for severe infestation deficiencies.
- Whether these proposed requirements above, as applied to all covered housing, would substantially narrow the pool of available rental housing for families participating in HUD’s programs.

HUD seeks comment on the current version of the NSPIRE standards, version 2.2, available for review [here](#), at HUD’s website. HUD is also continuing to review the comments received through the *Federal Register* on the NSPIRE [proposed rule](#), published January 13, 2021.

### HUD Publishes Quarterly Regulatory Waivers

In a *Federal Register* [notice](#) today, HUD published a list of the regulatory waivers that it granted during the fourth quarter of calendar year 2021. You’ll find the waivers granted by the Office of Public and Indian Housing on page 36537 of the notice (PDF page 14). The PIH office granted two waivers during the quarter:

- One involved the prohibition against PHAs entering into a contract, subcontract, or arrangement in connection with the administration of its public housing program where any present or former member or officer of the governing body has an interest, direct or indirect, during their tenure or for one year thereafter.
- One involved waiving the requirement for an appraisal by a qualified appraiser before property is purchased with Indian Housing Block Grant (IHBG) funds.

## PH PROGRAM NEWS

### PIH Posts New Chapter to Updated PH Occupancy Guidebook Webpage

HUD’s Office of Public and Indian Housing (PIH) has posted the new [Eligibility Determination and Denial of Assistance](#) chapter to its [webpage](#) dedicated to an updated version of the Public Housing Occupancy Guidebook.

As you recall, the new version of the book is being released chapter-by-chapter as “living documents,” and HUD is amending individual chapters as policies are refined. Chapters that have not yet been released are listed as “coming soon.”

### PIH Announces Trainings on Applying for Shortfall Funding

In an email yesterday via HUD’s Financial Management Division (FMD) [mailing list](#), HUD announced that it will be holding two training sessions on submitting a shortfall application and shortfall appeal next week:

- [Tuesday, June 21, 2022, from 10:30 a.m. to 11:30 a.m. Eastern time](#)
- [Wednesday, June 22, 2022, from 1:30 p.m. to 2:30 p.m. Eastern time](#)

The email also reminds eligible PHAs that they must submit their shortfall applications for federal fiscal year (FFY) 2022 by **July 12, 2022**, through the OpFund Web Portal. A list of eligible PHAs and the amount those PHAs are eligible to receive is published [here](#). PHAs that would like to appeal their shortfall eligibility status or funding amount can submit an appeal, also through the OpFund Web Portal. For guidance on applying for and appealing shortfall funding, see Notice [PIH 2022-17](#).



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