

July 6, 2023

## **GENERAL NEWS**

## **HUD Issues Prepublication Copy of Final NSPIRE Scoring Notice**

The Department of Housing and Urban Development (<u>HUD</u>) has released a <u>prepublication copy</u> of the final scoring notice for the National Standards for the Physical Inspection of Real Estate (<u>NSPIRE</u>). The notice serves as a complementary document to the NSPIRE <u>final rule</u> published on May 11, 2023, which provides that HUD publish in the *Federal Register* the NSPIRE inspection standards and scoring methodology to assess the overall condition, health, and safety of properties and units assisted or insured by HUD. The NSPIRE <u>final standards notice</u> was published on June 22, 2023.

The prepublication document issued today outlines how HUD will score NSPIRE inspections and responds to comments submitted on the <u>proposed scoring notice</u> that was published on March 28, 2023. Two significant changes from the proposed scoring notice include 1) The elimination of letter grades. HUD will continue to only issue scores on the 0-100 point scale and 2) HUD will continue citing a deficiency multiple times in all inspectable areas (i.e., Unit, Inside, Outside) but will only deduct points once per inspectable area.

According to today's notice, several public comments misinterpreted the Unit Threshold of Performance to suggest that the deduction of 30 points or more in a single inspected unit could fail an entire property. HUD states that this interpretation does not reflect the intended goal or application of this policy and clarifies that the Unit Threshold of Performance applies to all the inspected units in a property collectively (e.g., Unit Defection Deduction Value divided by the number of inspected units). Additionally, HUD will only lower the score to 59 if it was previously 60 or above. HUD will not further adjust scores that were already below 60.

This final scoring notice does not revise the new scoring methodology, which focuses on units as the most important element of resident health and safety. The official notice is scheduled to be published in the *Federal Register* tomorrow July 7, 2023.



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