



OFFICE OF PUBLIC & INDIAN HOUSING

July 7, 2023

Dear PHA Executive Directors:

It is my pleasure to share that the [final Scoring Notice](#) for the National Standards for the Physical Inspection of Real Estate (NSPIRE) was published in the Federal Register today.

The NSPIRE Scoring Notice outlines how HUD will sample and score Public and Multifamily housing properties for an inspection. The Scoring Notice is part of HUD's comprehensive effort to update its physical inspection model that is now more than 20 years old.

This final Scoring Notice is a critical step in HUD's work to improve conditions in HUD-assisted housing. NSPIRE improves HUD's oversight by aligning and consolidating inspection regulations used to evaluate HUD housing across multiple programs. It also strengthens HUD's physical condition standards, formerly known as the Uniform Physical Condition Standards (UPCS) and the Housing Quality Standards (HQS). Additionally, it emphasizes the health and safety of residents in the places they spend the most time: their homes.

About the NSPIRE Final Scoring Methodology

Similar to the final Standards Notice published June 22, the scoring methodology will also be updated once every three years with an opportunity for public comment. The NSPIRE Scoring Notice applies to all HUD housing currently inspected by HUD's Real Estate Assessment Center (REAC), including Public Housing and Multifamily Housing programs (Project-based Rental Assistance, FHA Insured, and Sections 202 and 811).

On March 28, 2023, HUD published the proposed scoring methodology for public comment. The final scoring methodology considered public comment on the draft methodology, the results of the NSPIRE Demonstration, and testing with volunteer public housing agencies and owners.

Highlights in the final Scoring Notice include:

- **HUD will score deficiencies based on two factors: severity and location.**
 - The severity categories are Life-Threatening, Severe, Moderate, and Low.
 - The locations are **in-unit**, where the resident lives; areas **inside** the building but not inside the unit, and **outside** areas including building exterior components and systems.

- HUD weighs deficiencies using a Defect Severity Value where the weight of the deduction for a given deficiency changes depending on both the location and the severity of the deficiency.

- Under the NSPIRE scoring methodology, **in-unit deficiencies are weighted more heavily**. This means properties with in-unit deficiencies are more likely to fail inspections.
- To put this into perspective, a Life-Threatening deficiency inside a unit will lead to the largest deduction and a Low deficiency outside the property will lead to the smallest deduction of points.
- **HUD will not score new requirements in the rule in the first 12 months** of NSPIRE implementation to allow PHAs to get familiar with these new requirements and make necessary updates in their properties. This will help PHAs understand the new scoring methodology and how scores may change in the future.
- All inspections and score reports will be reviewed by REAC before released, so PHAs can expect to receive the full scored inspection report within 15 days. PHAs will have 45 days after receiving the score report to submit a request for a technical review for inspection issues or errors.

HUD will continue to only issue scores on the 0-to-100-point scale. Any score under 60 is considered a failing score, and properties that score 30 or less will be automatically referred to HUD's Departmental Enforcement Center (DEC) for administrative review.

HUD published the [final NSPIRE rule](#) on May 11, 2023, that made changes to inspections for the Public Housing and Multifamily Housing programs. That was followed by the NSPIRE companion publications of the [final Standards Notice](#) on June 22, 2023, the [Administrative Notice](#) on June 30, 2023, and today's publication of the [final Scoring Notice](#).

Scheduling Notices Coming for Properties Due for an Inspection

HUD will send 28-day scheduling notices soon to properties that are due for an inspection. The timing of a REAC inspection remains unchanged with the final rule. Properties are inspected every one to three years, depending on the prior inspection score.

Helping PHAs Implement NSPIRE

HUD has developed training that includes a combination of PowerPoint presentations, infographics as well as [instructional videos](#) that are posted on the [NSPIRE website](#). For more information on NSPIRE, visit the [NSPIRE homepage](#). Questions can be sent to NSPIRE@hud.gov.

Collectively, we all have vital roles to ensure HUD residents live in safe homes. We look forward to continuing to collaborate with you as HUD implements and refines NSPIRE. We thank you for your continued diligence and partnership as we strengthen our work to improve the lives of the families we serve each day.

Many thanks,



Richard J. Monocchio
Principal Deputy Assistant Secretary
Office of Public and Indian Housing