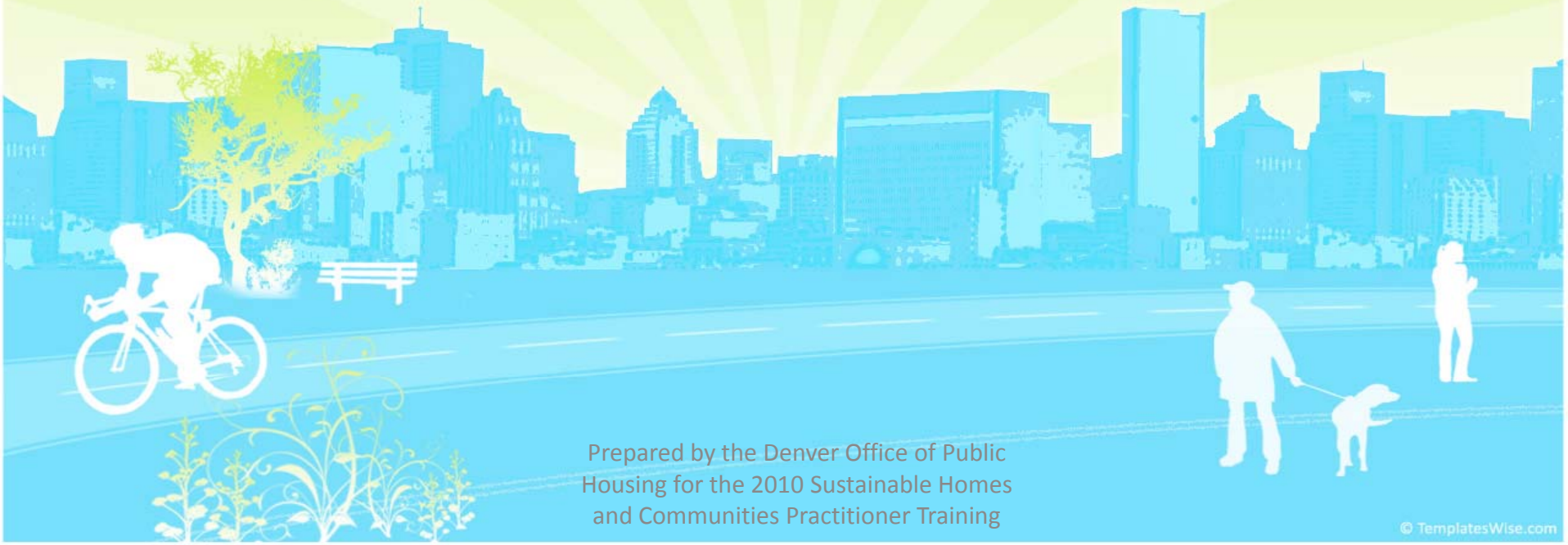
The Ins & Outs of Management Reviews & Physical Inspections



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MOR Training

4350.1 Revised Chapter 6

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4350.1 Chapter 6 Revisions

When did Chapter 6 Revisions become effective?

Effective for all management reviews conducted on or after

August 1,2010

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Why was Chapter 6 revised?

- Provide consistency with the HUD-9834 form, revised in 2005
- Add section to identify reviewing officials, HUD, CA, Mortgagee, clarified roles
- Remove outdated requirements
- Incorporate lead-based paint follow-up activities
- Outline frequency of reviews
- Discuss the Desk Review process
- Provide guidance for writing MOR findings
- Details descriptions for all ratings, including Above Average
- Provide the rating calculation

4350.1 Chapter 6 Revisions

What could trigger a Management Review?

- Risk assessments
- Financial performance and non-compliance
- New property
- Change in control of operations
- Transfer of Physical Assets
- Physical condition and related non-compliance
- Existing knowledge of management operations concerns or noncompliance
- Tenant Feedback
- Subsidy type (where HUD is the CA)

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- **Prior to the On-Site Review**
  - HUD PM/CA must contact the Owner/Agent to schedule the on-site review.
  - HUD PM/CA must confirm the review in writing at least two weeks in advance.
  - HUD PM/CA must notify the owner/agent of documents that must be available for the day of the review as indicated on the Addendum C of the HUD-9834
  - Part A, Section I,II, III of the checklist for On-Site Limited Monitoring and Section 504 Reviews (Addendum B) will be mailed prior to the on-site management review.

4350.1 Chapter 6 Revisions

- **During the On-Site Review**
  - HUD PM/CA must complete the following forms for applicable programs
    - HUD-9834
    - **Subsidized projects**: Addendum A-Tenant File Review Worksheet, Addendum B-Checklist for on-site limited monitoring & Section 504 reviews, Addendum C-Documents to be made available by O/A.
    - **Unsubsidized projects:** Addendum B, Part D-Documents to be obtained from O/A, Addendum C-Documents to be made available by O/A only.
  - **REAC Inspection within past 12 months:**
    - Follow up EH&S items noted on REAC report
    - Review and obtain copy of lead-based paint certification (if applicable)

4350.1 Chapter 6 Revisions

- **HUD PM/CA must conduct an Exit Interview/Close-out session on-site**
  - Allows O/A and HUD/CA to discuss and correct any findings requiring immediate attention and informs O/A of findings potentially listed on the Summary Report.
  - Checklist may be used and signed by the O/A.

4350.1 Chapter 6 Revisions

- **Summary Report/Results/ Follow-up**
  - **HUD PM/CA** sends Cover Letter and Summary Report to Owner and Agent.
  - **HUD PM/CA** must complete within 30 days from date of review.

4350.1 Chapter 6 Revisions

- **Summary Report/Results/ Follow-up (cont)**
- All findings must state the following:
  - **Condition**: describes the problem.
  - **Criteria**: cites the statutory, regulatory or HUD Handbook requirements that were not met.
  - **Cause**: explains why the condition occurred.
  - **Effect**: describes what happened or what may happen as a result of the condition/finding.
  - **Corrective Action**: required for all findings, corrective action should address the cause of the finding to prevent reoccurrence with a timeframe for O/A to respond.

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- **Ratings:** Each section on the HUD-9834 gets a rating.

  General Appearance and Security (10%)

  Follow up and monitoring of project inspections (10%)

  Maintenance and standard operating procedures (10%)

  Financial management/procurement (25%)

  Leasing and occupancy (25%)

  Tenant and management relations (10%)

  General management practices (10%)

4350.1 Chapter 6 Revisions

- **Ratings cont'd** The reviewing official must use the following performance indicator values.

Performance Indicator	Performance Indicator Value
Superior	90 - 100
Above Average	80 - 89
Satisfactory	70 - 79
Below Average	60 - 69
Unsatisfactory	< = 59

4350.1 Chapter 6 Revisions(Example A)

	Performance Indicator	Performance Indicator Value	Percentage Overall Rating	Calculated Points
General Appearance and Security	Satisfactory	71	10%	8
Follow-up and Monitoring of Project Inspections	Satisfactory	71	10%	8
Maintenance and Standard Operating Procedures	Below Average	62	10%	7
Financial Management/Procurement	Below Average	62	25%	16
Leasing and Occupancy	Below Average	62	25%	16
Tenant/Management Relations	Satisfactory	71	10%	8
General Management Relations	Satisfactory	71	10%	8
Totals			100%	71

Superior Rating

- Performance should be rated superior if actions consistently exceed statutory, regulatory, and Handbook requirements and:
  - O/A has established consistent polices and procedures which are highly successful
  - O/A strictly adheres to procedures resulting in compliance with the regulatory agreement, subsidy and mortgage contracts, and management certifications;
  - O/A is in compliance with HUD's lead-based paint requirements (if applicable)
  - The property is in exceptional condition and there are no observable EH&S items or other deficiencies and
  - There are few incidences of errors disclosed in the review and no major adverse findings.
  - There is ample documentation that the O/A periodically updates the AFHMP to address changes in the local demographics, including LEP, persons with disabilities and large families. O/A engages in active outreach efforts to community groups and other organizations to attract individuals of available housing opportunities.

Above Average Rating

- Performance should be rated above average if actions occasionally exceed statutory, regulatory, and Handbook requirements and:
  - O/A has established polices and procedures which are successful in carrying out the objectives of HUD housing programs (i.e. provisions for well-maintained housing at low rents and proper use and concern for Federal subsidy and insurance funds);
  - O/A adheres to procedures with very few exceptions, resulting in compliance with the regulatory agreement, subsidy and mortgage contracts, and management certifications;
  - O/A is in compliance with HUD's lead-based paint requirements (if applicable)
  - The property is in good condition and there are no observable EH&S items or other major deficiencies, but a minimal number of deficiencies are observable and
  - Incidences of errors disclosed in the review are minimal and there are no major adverse findings.
  - The HUD approved AFHMP is available on site, project staff have been trained on implementing the plan and it serves as the primary basis for marketing outreach to the various demographics groups that are least likely to apply. Records are maintained on the demographics of applicants and tenants along with data that analyzes the effectiveness of the affirmative marketing efforts.

Satisfactory Rating

- Performance should be rated satisfactory if actions meet statutory, regulatory, and Handbook requiremenst and:
  - O/A is successfully carrying out the objectives of HUD Programs;
  - Polices and procedures have been established but are not always adequate to prevent errors from occurring;
  - O/A submitted a lead hazard control plan within the prescribed HUD timeframe and is awaiting HUD approval (if applicable)
  - There are some observable EH&S items/major deficiencies, but there is evidence that the owner has already corrected many of the deficiencies noted on the last inspection report; and
  - The O/A or their employees have deviated from established policies resulting in deficiencies or there are findings that, with minor adjustments to existing policies or procedures or additional training, the O/A should be able to cure the deficiencies. *In such cases, a satisfactory rating should be given only if the O/A is willing to make the necessary adjustments and complete the necessary training.*
  - The HUD approved AFHMP is available in the rental office and affirmative marketing to those least likely to apply occurs based on the Plan, including LEP.

Below Average Rating

- Performance should be rated above below average if actions rarely meet statutory, regulatory, and Handbook requirements and:
  - O/A polices and procedures are ineffective or inappropriate for the project;
  - Policies and procedures do not meet the requirements of the regulatory agreement, management certification or subsidy contracts;
  - Weaknesses in policies and procedures result in frequent failures to comply with published HUD introductions;
  - There are repeat major adverse findings;
  - There are open findings from prior year's management reviews;
  - O/A has submitted a lead hazard control plan and has failed to comply with the HUD approved plan. (if applicable)
  - There are substantial number of observable EH&S/major deficiencies and there is evidence that the owner has corrected very few of the deficiencies noted on the last inspection report; and
  - O/A would need significant changes to its existing policies and procedures or the O/A or on-site employees would need significant amounts of training to cure the deficiencies.
  - The HUD approved AFHMP is available in the rental office but the AFHMP is not utilized to reach those individuals least likely to apply for housing in the project and the project's employees are unfamiliar with the AFHMP provision.

Unsatisfactory Rating

- Performance should be rated above unsatisfactory if actions do not meet statutory, regulatory, and Handbook requiremens and:
  - O/A actions or failure to act have placed the Secretary's interest in jeopardy or frustrated achievement of the Secretary's housing objectives;
  - There are major adverse findings in the financial management/procurement processes including but not limited to mortgage default, election to assign/assignment of the mortgage, diversion of project funds, unauthorized distribution of funds, failure to fund the reserves for replacements account, failure to submit monthly acct reports (new projects) and failure to file an annual financial statement (if required).
  - There are repeat major adverse findings;
  - There are open findings from prior year's management reviews;
  - O/A has failed to submit a lead hazard control plan to HUD (if applicable)
  - There are many observable EH&S/major deficiencies and there is evidence that the owner has not corrected any of the deficiencies noted on the last inspection report; and
  - O/A actions have failed to meet state and local housing code requirements (regardless of REAC score) and;
  - O/A policies and procedures are ineffective or lacking to the extent that the O/A frequently, and often seriously, fails to comply with HUD's regulations and published instructions.
  - There is no HUD approved AFHMP available in the rental office.

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- **APPEALS PROCEDURES FOR OWNERS/AGENTS**
- If an O/A receives a “Below Average” or “Unsatisfactory”, the O/A may appeal the rating.

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- **APPEAL PROCEDURES FOR OWNERS/AGENTS**
- **Initial Appeal to the HUD Field Office and/or CA**
- The appeal must be in writing using factual examples and must be postmarked within 30 calendar days of the Summary Report date.
- If conducted by HUD PM, forward to the Denver HUD office.
- If conducted by PBCA/CA forward to the CA.
- HUD/CA decision must be provided in writing to the owner agent and sent within 45 days.

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- **APPEALS PROCEDURES FOR OWNERS/AGENTS Final Appeal**
- If the O/A does not agree with the initial appeal decision, the O/A may submit a final appeal to the Multifamily Hub Director.

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- **APPEALS PROCEDURES FOR OWNERS/AGENTS Final Appeal**
- O/A's final appeal must be in writing.
- Postmarked within 15 calendar days of the initial appeal decision letter.
- The owner/agent may request a meeting with the Multifamily Hub Director (or, at the discretion of the Multifamily Hub Director, a representative).

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- **APPEALS PROCEDURES FOR OWNERS/AGENTS** **Final Appeal**
- HUD's final appeal decision must be in writing.
- Within a 45 calendar day period following receipt of the final appeal letter or upon conclusion of the meeting with the owner/agent and Hub Director if applicable.

4350.1 Chapter 6 Revisions

- **APPEALS PROCEDURES FOR OWNERS/AGENTS** **Final Appeal**
- **Decisions rendered by the Multifamily Hub Director will be final and will not be subject to further appeal.**

4350.1 Chapter 6 Revisions

- **ACTIONS TO BE TAKEN FOR FAILURE TO RESPOND AND/ORCORRECT CONDITIONS OF MANAGEMENT REVIEW**
- Requiring the owner to replace the management agent.
- Placing a flag against the owner/agent in the Active Partners Performance System (APPS).
- Referring the owner/agent to the DEC to initiate a limited denial of participation.

Helpful Tips

- All files should be organized similarly.
- Consider putting together Move-in packets, Annual recertification packets, and interim recertification packets.
- Use the Addendum A-Tenant File Review Worksheet as a guide to organizing your files.

Helpful Tips (cont)

- Staff available.
- All tenants should be notified of a possible inspection.
- All policies and procedures available.

Helpful Tips (cont)

- EIV Policy Procedures, Coordinator Access Authorizations Forms (signed initial copy and current copy), User Access Authorizations Forms (signed initial and current copy) , Rules of Behavior, EIV Owner Approval Letter from owner in one binder available for review.
- Maintain a binder historical and current verification reports from EIV.

Physical Inspections – REAC Reviews

- Preparing for a REAC Inspection
- REAC Scoring
- Top 20 Deficiencies
- Type of Appeals
- Helpful Websites

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Physical Inspections – Preparing for a REAC Inspection

- Prior to inspection date, Owner/Agent should conduct 100% inspection of the property
- To include:
  - Entire Site
  - All building exteriors
  - All building systems
  - All common areas
  - All units

Physical Inspections – Preparing for a REAC Inspection

- Important Point to Remember regarding Common Areas
- All areas within a building that are not residential units are considered common areas for the REAC inspection and you will need to provide access to each of these areas.

Physical Inspections – Preparing for a REAC Inspection

- Owner / Agent can complete the 100% inspection electronically by using the 2.3 public version of the inspection software, which is available for download from the REAC website: http://www.hud.gov/offices/reac/products/pass/software.cfm
  - Or
- Owner/Agent can also complete it manually (on paper), a formatted inspection form is available at:
- http://www.hud.gov/offices/reac/products/pass/materials.cfm#upcs.

Physical Inspections – Preparing for a REAC Inspection

- Important Point to Remember regarding 100% property inspections:
  - Keep in mind that if an inspectable item exists on your property, it must function as designed by the manufacturer or it will most likely fail.

Physical Inspections – Preparing for a REAC Inspection

- When preparing for a REAC inspection, make certain that all items are physically tested and operate properly.
- Special attention should be directed at possible "Exigent Health & Safety" (EH&S) deficiencies which are:
  - Propane, natural, or methane gas leaks
  - Exposed wires or open electrical panels
  - Water leaks on or near electrical equipment

Physical Inspections – Preparing for a REAC Inspection

- Possible EH & S (con't):
  - Blocked or unusable emergency or fire exits
  - Blocked fire escapes or ladders
  - Missing or misaligned chimney for gas-fired water heater or HVAC unit
  - Window security bars preventing exit
  - Expired fire extinguishers
  - Inoperative or missing smoke detectors

Physical Inspections – Preparing for a REAC Inspection

- Following Items should be available for REAC Inspector (as applicable):
  - Certificates for: Boilers, fire alarm, building sprinkler system, elevator and lead base paint report and resident disclosure if the property was built prior to 1978.
  - Area measures: parking lots, driveways, roads (sq. footage) and walkways.
  - Rent roll: Current as of date of inspection, to include all occupied and vacant units.
  - Site map: This enables the inspector to navigate the property in a more efficient manner.

Physical Inspections – Preparing for a REAC Inspection

- **Things to remember**:
  - When contacted by REAC Inspector, date/time must be a mutually agreeable.
  - Avoid scheduling maintenance/service of any inspectable items the day of the inspection.
  - Ensure that all electrical wiring/connection panels have been properly re-installed.
  - Carry a notepad and camera with you during the REAC inspection to document the various findings when appropriate.

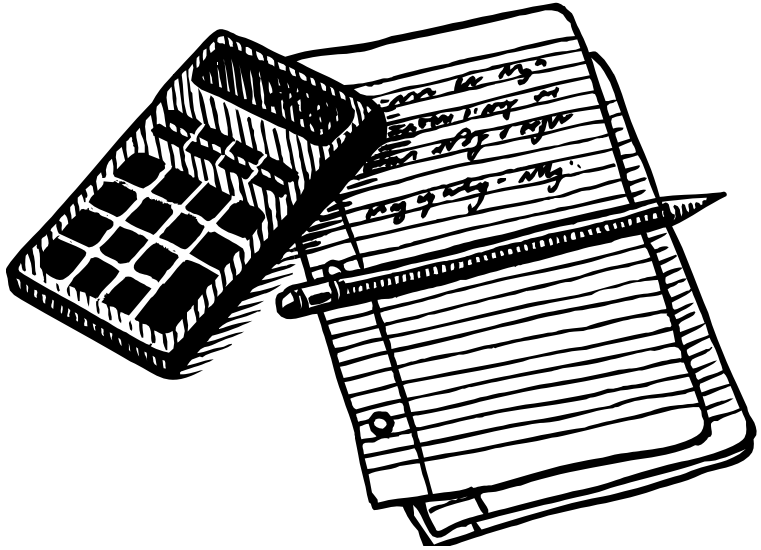
Physical Inspections – Preparing for a REAC Inspection

- **Things to remember:**
  - You are allowed the following during the inspection:
  - In a unit or common area, you may install a light bulb to demonstrate that a fixture functions
  - If a pilot is out on 2 or more burners, you may light the pilot and test the burners. If they both function, a Level 1 deficiency is recorded in lieu of a Level 3.

Physical Inspections – Preparing for a REAC Inspection

- **Things to remember:**
  - If the exhaust fan in the bathroom has been unplugged, you may plug it in and demonstrate that it properly functions, with no deficiency recorded.

Physical Inspections – REAC Scoring



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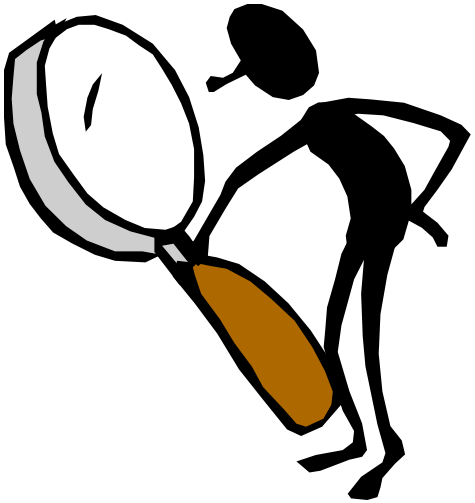
Physical Inspections – The Goal

Assign a *score* to the overall *property condition* based on the *data* collected by the inspector

- **Measure physical condition**
- **Objective & consistent**
- **Accommodates all property types & configurations**

Scoring is Based on Objective Data

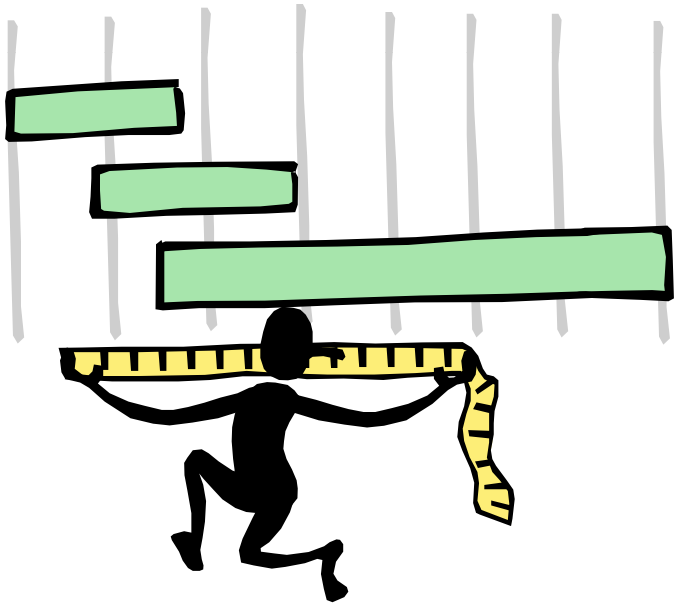
The inspector records the *existence* and the *severity* of deficiencies according to preset criteria



The Scoring Approach

- Relative importance ("weights") were assigned to each physical area, item, and deficiency in the inspection protocol

- HUD applies the weights to the inspection data to compute the score

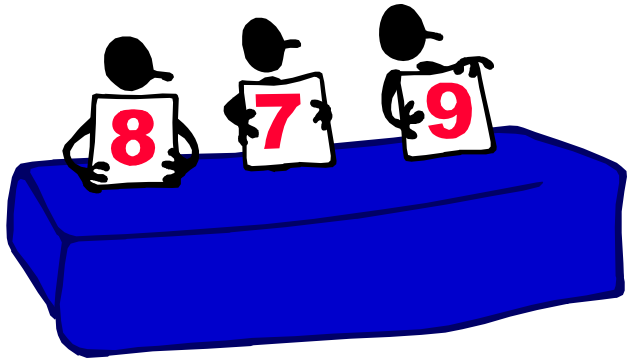


- The score is based on a 100 point scale

Scoring Protocol

The weights were assigned as part of a consensus process:

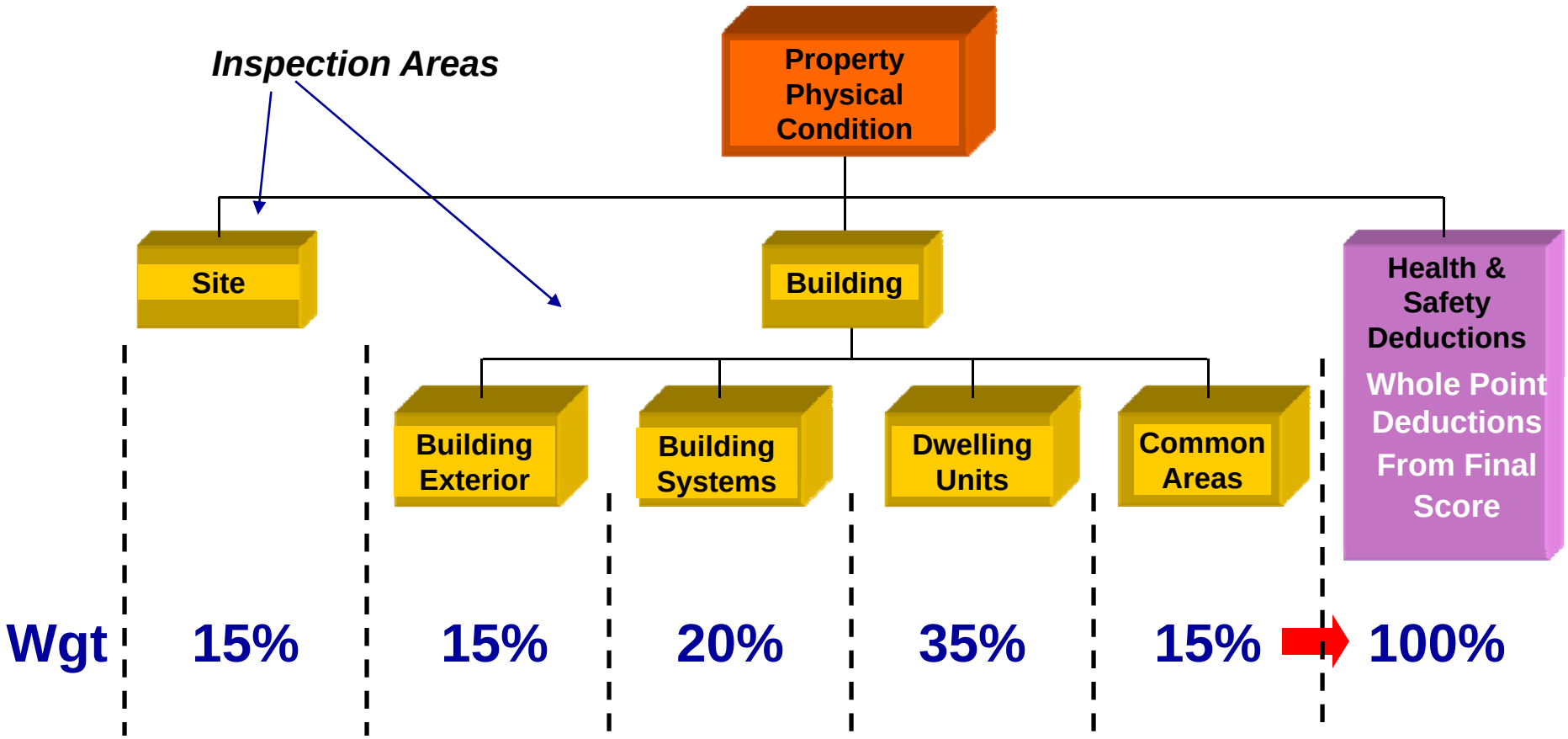
- Industry stakeholder input
  - Multifamily Housing (Owners / Agents)
  - Public Housing Authorities
  - Trade groups
  - PHA industry groups



- HUD information

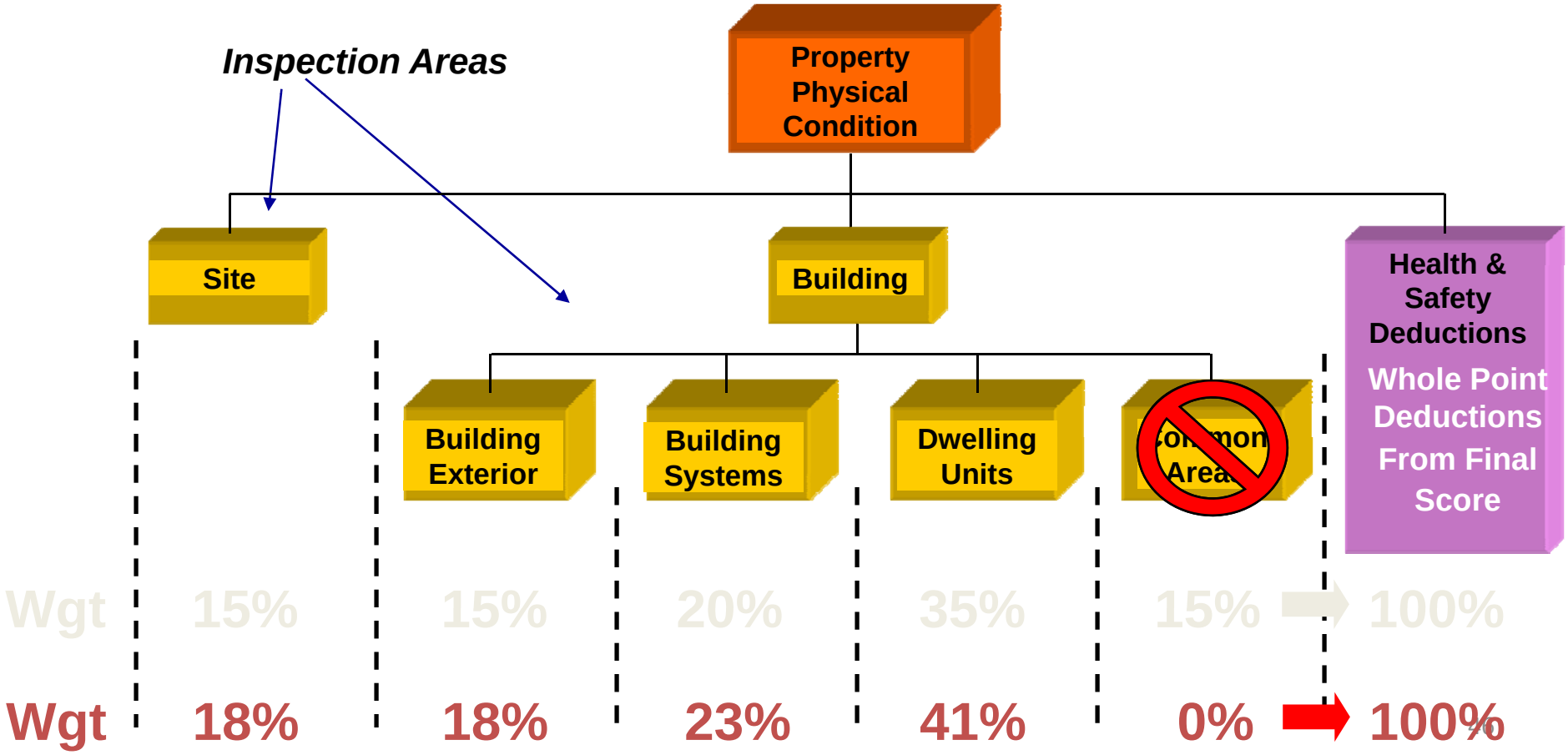
- Trade professionals' experience

Scoring Dynamics

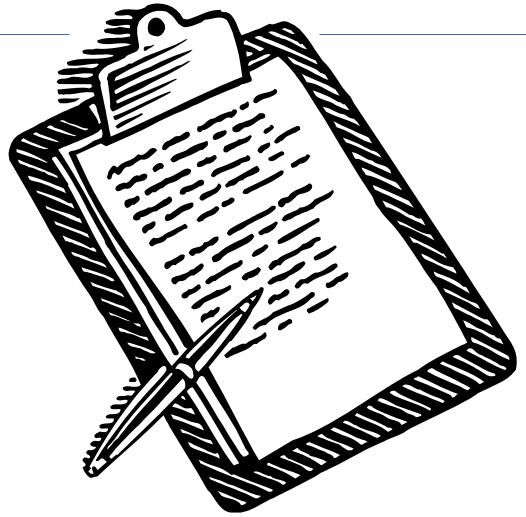


No Two Properties Are Alike

(For example, if there are no Common Areas on a property, the other inspection areas become more important)



“TOP 20”



Top 20 Deficiencies

1. **HVAC** – the water heater Pressure Relief Valve discharge tube extends to within 18 inches of the floor;
2. **Misaligned Chimney** – the vent stack on gas operated water heaters or furnaces are properly aligned;
3. **Missing HVAC Covers** – there are covers on all baseboard heaters;
4. **Access to the Electrical Panel** – access to electrical panels is not blocked by furniture or other items;
5. **Missing Covers** – electrical panels have interior covers (aside from the panel lid box itself) to prevent exposure from the wire connections;
6. **Open Breaker Ports** – Open breaker ports are covered;
7. **Doors Damaged Seals** – the factory-installed seals on Exterior Doors, such as building or unit doors, are in place and undamaged;
8. **Doors Damaged Hardware** – Exterior door hardware locks or latches properly and Fire Doors function as designed;
9. **Security Doors** – security doors do not have dual-side key locks;
10. **Kitchen** – Damaged Stoves/Ovens – stove burners are working;

BUILDING SYSTEMS

DEF: Missing Pressure Relief Valve (Domestic Water) - L3

BUILDING SYSTEMS

DEF: Missing Pressure Relief Valve (Domestic Water) - L3

Top 20 Deficiencies

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9. **Security Doors** – security doors do not have dual-side key locks;
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BUILDING SYSTEMS

DEF: **Misaligned Chimney/Ventilation Systems (Domestic Water) - L3**

Top 20 Deficiencies

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5. **Missing Covers** – electrical panels have interior covers (aside from the panel lid box itself) to prevent exposure from the wire connections;

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9. **Security Doors** – security doors do not have dual-side key locks;

10. **Kitchen** – Damaged Stoves/Ovens – stove burners are working;

UNIT

DEF: Convection/Radiant Heat System Covers Missing/Damaged (HVAC) - L3
Health and Safety - Hazards/Sharp Edges
Health and Safety - Other/Possible Burn Hazard

UNIT

DEF: **Convection/Radiant Heat System Covers Missing/Damaged (HVAC) - L3**
Health and Safety - Hazards/Sharp Edges

Top 20 Deficiencies

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4. **Access to the Electrical Panel** – access to electrical panels is not blocked by furniture or other items;

5. **Missing Covers** – electrical panels have interior covers (aside from the panel lid box itself) to prevent exposure from the wire connections;

6. **Open Breaker Ports** – Open breaker ports are covered;

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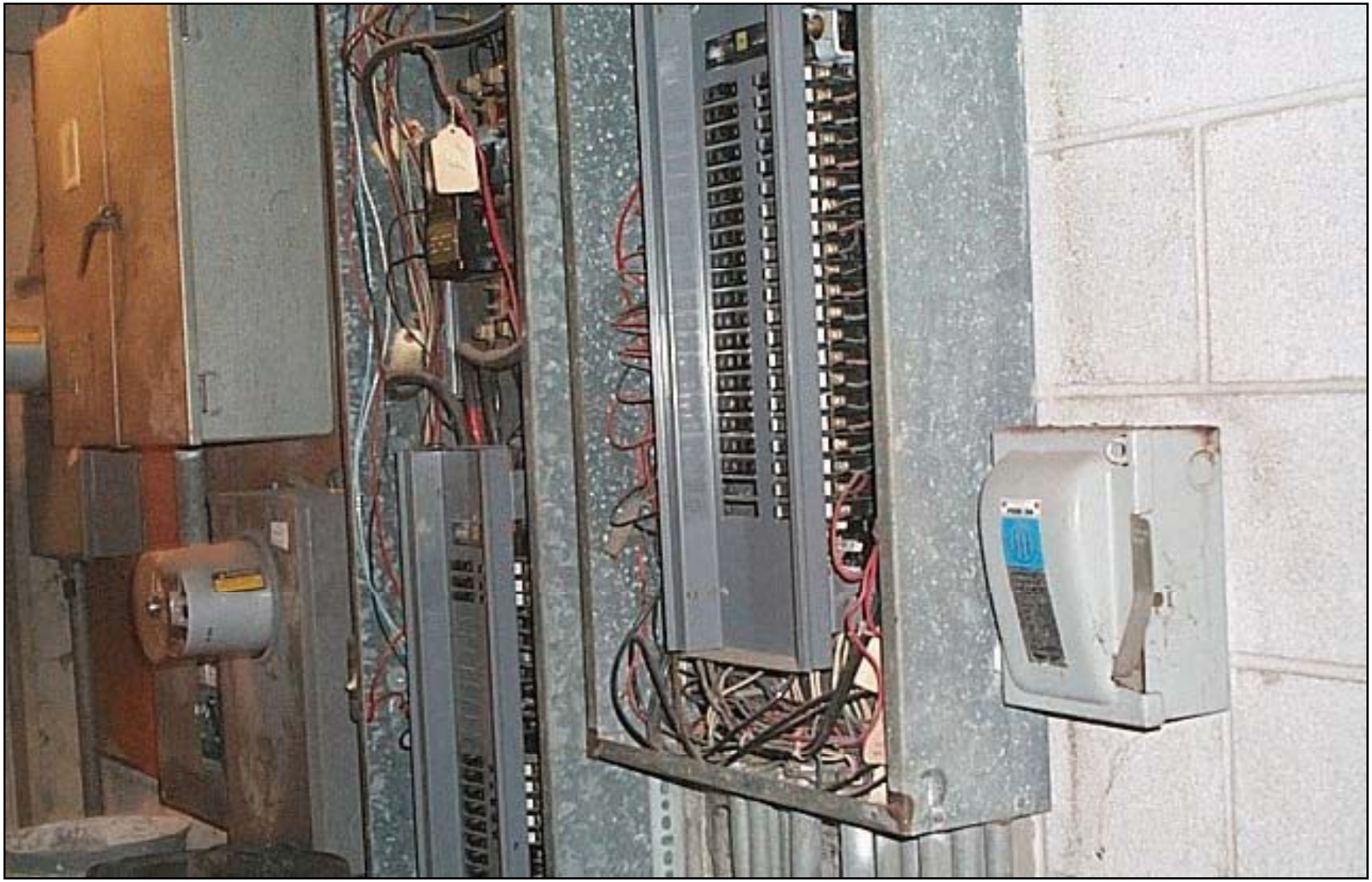
BUILDING SYSTEMS



DEF: Missing Breakers (Electrical System) - L3

DEF: Missing Covers (Electrical System) - L3

Top 20 Deficiencies

1. **HVAC** – the water heater Pressure Relief Valve discharge tube extends to within 18 inches of the floor;

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UNIT

DEF: Damaged Hardware/Locks (Doors) - L3
Damaged Surface - Holes/Paint/Rusting/Glass (Doors) - L3
Health and Safety - Blocked Egress

UNIT

DEF: Damaged Hardware/Locks (Doors) - L2

Damaged Surface - Holes/Paint/Rusting/Glass (Doors) - L2

Top 20 Deficiencies

1. **HVAC** – the water heater Pressure Relief Valve discharge tube extends to within 18 inches of the floor;

2. **Misaligned Chimney** – the vent stack on gas operated water heaters or furnaces are properly aligned;

3. **Missing HVAC Covers** – there are covers on all baseboard heaters;

4. **Access to the Electrical Panel** – access to electrical panels is not blocked by furniture or other items;

5. **Missing Covers** – electrical panels have interior covers (aside from the panel lid box itself) to prevent exposure from the wire connections;

6. **Open Breaker Ports** – Open breaker ports are covered;

7. **Doors Damaged Seals** – the factory-installed seals on Exterior Doors, such as building or unit doors, are in place and undamaged;

8. **Doors Damaged Hardware** – Exterior door hardware locks or latches properly and Fire Doors function as designed;

9. **Security Doors** – security doors do not have dual-side key locks;

10. **Kitchen** – Damaged Stoves/Ovens – stove burners are working;

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10. **Kitchen** – Damaged Stoves/Ovens – stove burners are working;

UNIT

DEF: **Range/Stove - Missing/Damaged/Inoperable (Kitchen) - L2**

Top 20 Deficiencies (Continued)

11. **Plumbing** – pipes and faucets are not leaking, and areas around any leaks are cleaned up and repaired;

12. **Damaged Sinks/Showers** – any hardware problems are repaired, diverters are working, drains have stoppers, Hot or Cold water handles are in place and working;

13. **Clothes Dryers** - are properly vented to the outside from units or laundry rooms;

14. **Storm Water Sewers** - are not clogged with trash or leaves;

15. **Sanitary Sewer Damaged Covers** –caps located in the grass on the exterior of the building that have been damaged by a lawn mower are cleaned out. Replace and mark the areas to prevent further damage;

16. **Trash Chutes** – hardware is in place and the chute door closes properly;

17. **Trash Receptacles** - are not overflowing and are adequate in size for the property;

18. **Auxiliary Lighting** – the back up lighting works even when the test light does not work;

19. **Leaking Domestic Water** – there are no leaks in the domestic water supply, including the hose bibs located on the exterior of the building;

20. **Switchplate Covers** – are not cracked or broken.

UNIT

DEF: Plumbing - Leaking Faucets/Pipes (Kitchen) - L3

Top 20 Deficiencies (Continued)

11. **Plumbing** – pipes and faucets are not leaking, and areas around any leaks are cleaned up and repaired;

12. **Damaged Sinks/Showers** – any hardware problems are repaired, diverters are working, drains have stoppers, Hot or Cold water handles are in place and working;

13. **Clothes Dryers** - are properly vented to the outside from units or laundry rooms;

14. **Storm Water Sewers** - are not clogged with trash or leaves;

15. **Sanitary Sewer Damaged Covers** –caps located in the grass on the exterior of the building that have been damaged by a lawn mower are cleaned out. Replace and mark the areas to prevent further damage;

16. **Trash Chutes** – hardware is in place and the chute door closes properly;

17. **Trash Receptacles** - are not overflowing and are adequate in size for the property;

18. **Auxiliary Lighting** – the back up lighting works even when the test light does not work;

19. **Leaking Domestic Water** – there are no leaks in the domestic water supply, including the hose bibs located on the exterior of the building;

20. **Switchplate Covers** – are not cracked or broken.

BUILDING SYSTEMS

DEF: **Missing Drain/Cleanout/Manhole Covers (Sanitary System) - L3**

BUILDING SYSTEMS

DEF: **Missing Drain/Cleanout/Manhole Covers (Sanitary System) - L3**

Top 20 Deficiencies (Continued)

11. **Plumbing** – pipes and faucets are not leaking, and areas around any leaks are cleaned up and repaired;

12. **Damaged Sinks/Showers** – any hardware problems are repaired, diverters are working, drains have stoppers, Hot or Cold water handles are in place and working;

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20. **Switchplate Covers** – are not cracked or broken.

HEALTH & SAFETY

DEF: Site - Garbage and Debris - Outdoors

Top 20 Deficiencies (Continued)

11. **Plumbing** – pipes and faucets are not leaking, and areas around any leaks are cleaned up and repaired;

12. **Damaged Sinks/Showers** – any hardware problems are repaired, diverters are working, drains have stoppers, Hot or Cold water handles are in place and working;

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18. **Auxiliary Lighting** – the back up lighting works even when the test light does not work;

19. **Leaking Domestic Water** – there are no leaks in the domestic water supply, including the hose bibs located on the exterior of the building;

20. **Switchplate Covers** – are not cracked or broken.

BUILDING SYSTEMS

DEF: Leaking Central Water Supply (Domestic Water) - L3

UNIT

DEF: Missing/Broken Cover Plates (Outlets/Switches) - L3

Physical Inspections

- REAC Type of Appeals:
  - Two Types available to Owners / Agents

1. Technical Review

2. Data Base Adjustment

Technical Reviews

You can appeal a physical score if you believe the inspection was not conducted in accordance with the Public and Indian Housing Real Estate Assessment Center (PIH-REAC) Uniform Physical Condition Standards (UPCS) inspection protocol or feel that certain inspection data may have been recorded in error that, if corrected, will result in an improvement in the property's overall score

What qualifies for a Technical Review?

- **Building Data Errors**
- **Unit Count Errors**
- **Non-Existent Deficiency Errors**

What does NOT qualify for a Technical Review?

- **Disagreements over the severity of a defect**
- **Deficiencies that were repaired or corrected**

Technical Reviews (Continued)

Timeline for submittal:

- Public Housing = 15 days
- Multifamily Housing = 30 days

What to include:

- All property identification information
- All deficiency location informatic

How to document:

- Written Material
- Photographs
- Video

* OBJECTIVELY VERIFIABLE! *

Technical Reviews (Continued)

Where to send your request:

Attn: PASS Technical Reviews
HUD/PIH/REAC
550 12th Street SW, Suite 100
Washington, DC 20410

What can happen:

- **Request Denied**
- **New Inspection Scheduled**
- **Correct the Inspection Report (Adjust score)**

Database Adjustments

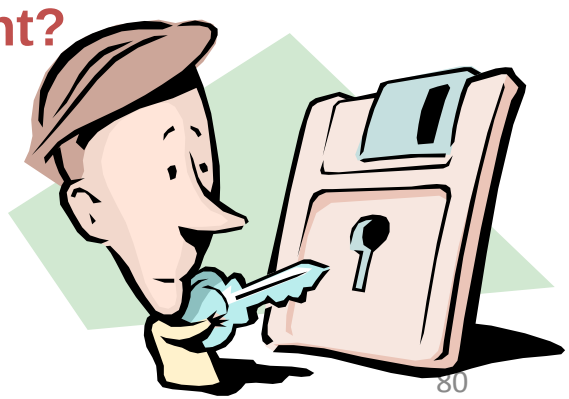
You can appeal a physical score if you believe the inspection was not conducted in accordance with … blah … blah … blah … (Same as the Technical Review.)

What qualifies for a Database Adjustment?

- **Local conditions and exceptions**
- **Ownership issues**
- **Adverse conditions beyond the owner's control**
- **Modernization work in progress**

What does NOT qualify for a Database Adjustment?

- **Deficiencies that were repaired or corrected**
- **Deficiencies caused by residents**
- **Items covered by the Technical Review process**



Database Adjustments (Continued)

Timeline for submittal:

- Public Housing = 15 days
- Multifamily Housing = 45 days

What to include:

- All property identification information
- All deficiency location informatic

How to document:

- Written Material
- Photographs
- Video

* OBJECTIVELY VERIFIABLE! *

Database Adjustments (Continued)

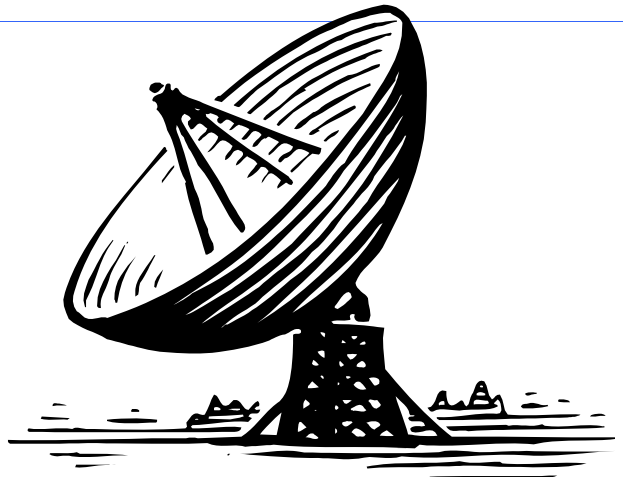
Where to send your request:

Attn: PASS Database Adjustments
HUD/PIH/REAC
550 12th Street SW, Suite 100
Washington, DC 20410

What can happen:

- **Request Denied**
- **New Inspection Scheduled**
- **Correct the Inspection Report (Adjust score)**

WEBSITE



Helpful Websites

- Compilation Bulletin URL:
  - http://www.hud.gov/offices/reac/products/pass/pass_bulletin.cfm
  - Inspector Notices URL:
  - http://www.hud.gov/offices/reac/products/pass/pass_doc.cfm
  - Inspector Business Rules URL:
  - http://www.hud.gov/offices/reac/products/pass/PDFs/i_a_business_rule.pdf

  - The Compilation Bulletin and Inspector Notices are clarifications of the definitions and take priority over the written definitions in the inspection 2.3 software. The Inspector Business Rules details the protocol for conducting the REAC inspection. You will need to familiarize yourself with these documents.

http://www.hud.gov/offices/reac/products/pass/pass_trng.cfm

Homes & Communities
U.S. Department of Housing and Urban Development

Real Estate Assessment Center
About REAC
Business area products
- Physical inspection
- Financial Assessment - Multifamily
- Financial Assessment - Public Housing Agencies
- Quality assurance operations
- Customer Satisfaction Survey
- Management operations certification
- PHAS - Public Housing Assessment System
- Subsidy and Grants Information System

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Real Estate Assessment Center

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UPCS Inspection Training

Inspectors Only:

Inspector certification training is for inspectors who are interested in becoming certified to conduct REAC inspections. This certification training program is for *inspectors only*.

Information by State
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Property Representatives, Owners, Agents:

REAC inspection training is a 3-day program for Multi-Family (Housing) and Public Housing property representatives, owners, agents, and for those interested in learning about the UPCS Inspection Protocol and REAC Inspection process!

Training Materials:

Training materials used at various industry meetings around the coun try have been collected and provided, here for your convenience. These include photographs and training software used in our inspections training, and other items of interest!

For More Information

www.hud.gov/reac

1-888-245-4860

reac@hud.gov