

NSPIRE Opt-Out FAQ 2023

1. In the agency's [Federal Register Notice FR-6160-N-03](#), HUD announced a modified NSPIRE Demonstration (Demo) beginning April 1, 2023. At this time, HUD will conduct inspections of record for certain properties in HUD's Demo program. What if the final NSPIRE protocol is not final by April 1?

The final rules for conducting NSPIRE inspections of record will be published before any NSPIRE inspections of record will be performed; however, these final rules will most likely not be published until after March 1, 2023, the deadline for making a decision. Multifamily property owners subject to the FR-6160-N-03 have the opportunity to opt out of the NSPIRE inspection of record and receive a UPCS inspection as an alternative if they are concerned about the pending finalized NSPIRE protocol. NSPIRE inspections of record will begin to take place no earlier than July 1, 2023.

2. How much time will properties have to prepare once the NSPIRE protocol is finalized before NSPIRE inspections of record begin for relevant demonstration participants?

HUD anticipates that NSPIRE protocols, which include the final rule, administrative procedures notice, standards notice, and scoring notice will be finalized prior to June 1, 2023 and NSPIRE inspections of record will take place no earlier than July 1, 2023. Additionally, HUD is maintaining the 28-day notification period for inspections for non-emergency inspections. HUD will continue to follow the standard notification procedure for FHA insured properties without a Multifamily assistance contract, which requires a notification period of at least 24 hours.

3. Which properties will be impacted by the changes to the Demo included in FR-6160-N-03? If a property was already inspected during the Demo, will it be inspected again?

*Properties that were approved as volunteers for the Demo, but has not received a Demo inspection, then the property is subject to FR-6160-N-03 and is subject to an inspection of record **before** October 1, 2023. If the property received a Demo inspection at any point during the program, the property is not subject to this notice and will receive another inspection until after September 30, 2023, only under extraordinary circumstances. If the property had a UPCS inspection of record during the Demo period, the property is no longer considered a Demo participant and the property is not subject to this notice.*

4. Can each Demo volunteer property that has not yet been inspected expect to receive an NSPIRE inspection of record prior to September 30?

*If the property is a Demo volunteer and elects to remain in the Demo, but has not yet received a Demo inspection, then the property is subject to FR-6160-N-03 and is subject to an NSPIRE inspection of record **before** October 1, 2023. If the property elects to opt-out of the Demo it will be subject to a UPCS inspection of record **before** October 1, 2023.*

5. For properties in the Demo that undergo an inspection of record before the NSPIRE demonstration ends and the NSPIRE protocol is officially effective for the whole portfolio, what are those properties' inspection cycles? For example, assuming the NSPIRE protocol continues the 3-2-1-year risk-based schedule, and a property in the Demo gets an NSPIRE inspection of record on July 1, 2023, will their earliest next inspection be July 1, 2024?

The NSPIRE protocol is maintaining the 3-2-1 Rule for REAC inspections. If a property receives a low score, however, a follow-up inspection could be triggered, meaning the earliest next inspection could occur prior to July 1, 2024.

6. Will appeals, DEC referrals, scheduling notice timelines, and other administrative procedures be addressed prior to address NSPIRE inspections of record?

Yes - the final rules for conducting NSPIRE inspections of record will be published before any NSPIRE inspections of record are performed.

7. If a property wants to opt out of the Demo, what are the steps that properties need to take? Will properties receive an acknowledgement/confirmation of opt-out status?

Properties that wish to opt out of the demo should submit their request via email to NSPIRE-Demo-Opt-Out@hud.gov no later than March 1, 2023. This email should include the name and iREMS ID number of the property. Properties will receive confirmation of opt-out status.

8. If a property opts out of the demonstration, when can they expect to receive a regular UPCS inspection?

If the property is due or will be due for an inspection by September 30, 2023, based on the 3-2-1 protocol and last inspection date and result, it will receive a UPCS inspection by that date.

General Information

1. If the property received an NSPIRE Demo inspection at any point during the program, the property is not subject to this [notice](#) and most likely will not receive another inspection until after September 30, 2023. The only reason such a property would receive an inspection is if HUD became aware that significant health and safety issues might exist at the property, in which case an UPCS inspection of record would be conducted.
2. If the property had a UPCS inspection of record recently, the property is no longer considered a demo participant and the property is not subject to this notice. The next inspection for the property will be based on the date and score of the UPCS inspection. If that next inspection takes place before October 1, 2023, it will be an UPCS inspection.
3. If the property has been part of the NSPIRE Demo, but never received an NSPIRE Demo inspection, then the property is subject to this notice and is subject to an inspection of record before October 1, 2023. The owner needs to decide if the property will be subject to a UPCS inspection of record or an NSPIRE inspection of record. The deadline for making that decision is March 1, 2023. If no communication is received for the property either way, the default is for the property to be subject to an NSPIRE inspection of record.

If the property falls into #3 above, then it is subject to the notice and needs to decide if the property will be subject to a UPCS inspection of record or an NSPIRE inspection of record and should be aware of the following:

- The final rules for conducting NSPIRE inspections of record will be published before any NSPIRE inspections of record will be performed; however, the final rules will most likely not be published until after March 1, 2023, the deadline for making a decision. The owner might want to factor this into their decision about whether to be subject to an UPCS or NSPIRE inspection of record.
- Properties that wish to opt out of the demo should submit their request via email to NSPIRE-Demo-Opt-Out@hud.gov no later than March 1, 2023. This email should include the name and iREMS ID number of the property.
- If no communication is received for the property either way, the default is for the property to remain in the Demo and be subject to an NSPIRE inspection of record.