Building the New Inspection Model for a New Era
National Standards for the Physical Inspection of Real Estate (NSPIRE)

Since 2017, HUD has been undertaking a “wholesale reexamination” of the Real Estate Assessment Center’s (REAC) physical housing inspection process and working hard to modernize its inspection model.

The new model, NSPIRE, prioritizes health and safety over appearance, with a renewed focus on the areas that impact residents directly. NSPIRE brings more objective standards, value-added inspection protocols, and scoring elements that are more defensible and less complex.

“Ensuring the safety of our residents has been a priority of Secretary Carson’s and mine. NSPIRE leads the way in our effort to update and modernize HUD programs. It will be our most important tool to ensure we continue to deliver safe, decent, and affordable housing for generations to come.”

Hunter Kurtz
Assistant Secretary, Office of Public & Indian Housing

“NSPIRE will align multiple inspection standards for assisted housing to a single standard that is flexible enough to accommodate the unique circumstances of each program and housing type. NSPIRE is changing the focus of our on-site inspections from a property-centric approach to a resident-centric approach by concentrating on where families reside and the livability of that unit.”

David Vargas
Deputy Assistant Secretary, REAC
NSPIRE Needs Your Input
Early Version of NSPIRE Standards are Ready!

HUD has released early versions of NSPIRE standards for HUD-assisted housing and welcomes comments to ensure clarity, accuracy, overall usability, and any other relevant aspects.

These early versions, and instructions on how to submit feedback on them, can be found at: https://www.hud.gov/program_offices/public_indian_housing/reac/nspire/standards

Taking into account public comments that HUD has received, we have reviewed the rationales and the health and safety determinations in the standards and made extensive changes to them in Version 1-2. The rationales are at the core of the NSPIRE process, and we welcome all comments on these revised rationales and health and safety determinations as well.

HUD values your input and looks forward to receiving your feedback!

Why NSPIRE?

Residents
- Year-long maintenance with a unit-focused approach
- Prioritization of residents over properties
- Introducing resident surveys for better quality service
- Safe and Habitable homes

POA/PHA
- Increased inspection consistency
- Collaborate with HUD
- Ability to contribute input to new standard
- Access to inspection data
- Reliable data and presentable reports that help portfolio management and risk assessment
- Safe and Habitable homes

Inspectors
- Electronic based inspections
- Increased inspection accuracy
- Clear, defined inspection protocol
- Ability to capture pictures
- Collaborate with HUD
- Safe and Habitable homes

HUD
- Access to reliable, valid, and objective data
- Alignment of multiple inspection standards
- Adaptation to industry change and modernization of health and safety standards
- Better performance assessments for HUD-assisted housing
- Safe and Habitable homes
The NSPIRE model builds on three mutually supporting elements consisting of three types of inspections, three categories of deficiencies, and three inspectable areas. When employed together, these components will increase focus on residential units, reduce inspection complexity, and increase confidence in HUD’s ability to distinguish safe and habitable houses from substandard properties.

NSPIRE introduces a system of more objective standards and simpler protocols that will enable a trained inspector to detect, identify, and record deficiencies more accurately and submit those results to HUD. These “objective standards” will be in the form of Critical to Quality Indicators (CTQs). CTQs are a well-defined subset of NSPIRE Standards that have a high correlation to overall quality and are calibrated to provide strong assurance that a property conforms with HUD’s minimum property standards. Simply put, when a deficiency is noted against a CTQ or several CTQs, there will be a high correlation to substandard conditions within a property. This direct correlation to quality allows for inspections built around CTQs to evaluate fewer standards but remain highly effective in determining substandard conditions.

To learn more about NSPIRE, please visit: https://www.hud.gov/program_offices/public_indian_housing/reac/nspire

Get NSPIREd
Sign Up for NSPIRE Demonstration!
HUD is seeking participation from 4,500 properties and will select from a nationwide pool of Public Housing Authorities (PHAs) and Property Owners and Agents (POAs).

PHAs and POAs are encouraged to register one or multiple properties for acceptance into the demonstration, but there is no requirement to submit all properties within a portfolio. Submission of an application does not constitute acceptance into the program nor does it obligate the PHA or POA in any way. Once accepted into the demonstration, participants may voluntarily withdraw any or all properties at any time.
**Why Register?**
The department wants a diverse, representative group of stakeholders from across the nation. HUD encourages early registration so that the department can make selections as quickly as possible.

**Why Volunteer?**
- Only one inspection! Scores are advisory.
- Can participate in focus groups, listening sessions, conference calls, and training sessions on policies and procedures.
- You will have a direct line to HUD! Your feedback will help HUD shape the new inspection model.
• Can take advantage of training opportunities, including how to use the inspection software.

**Eligibility Criteria**

• Annually inspect 100 percent of your units. Self-inspections are to be submitted electronically for evaluation but will NOT be scored.

• Schedule a mutually agreed inspection date with a HUD inspector so that demonstration data can be collected.

• If property conditions warrant, HUD reserves the right to order and execute a UPCS inspection and apply any available remedies, sanctions, or other actions as determined by the results.

• If your property is subject to an existing HUD Compliance, Disposition, and Enforcement or Corrective Action Plan, you cannot participate in the Demonstration.

• If your most recent REAC score was 70 or less, and you are not currently subject to corrective action, your property may be considered for inclusion in the demonstration on a case-by-case basis.

• Agree to participate in focus groups, listening sessions, conference calls, and training sessions.

**Registration**

If interested in participating in the demonstration, please visit:
https://www.hud.gov/program_offices/public_indian_housing/reac/nspire/registration

**NSPIRE Engages with Residents**

NSPIRE seeks to maintain a resident-focused approach that prioritizes resident health and safety. Throughout the development of NSPIRE, HUD has met with key resident stakeholders to discuss ways in which the department can improve collaboration and resident engagement in the inspection process.
As a result of the recommendations and feedback received, HUD has decided to incorporate two new procedures into the NSPIRE Demonstration. First, HUD will test for the best method for including up to five additional dwelling units, identified in advance by a resident’s group, or in a scenario where a resident’s group is not available, to use a risk model to select units above and beyond those selected by sample. HUD believes this will improve transparency and trust in the REAC inspection.

In addition, HUD is researching best practices in stakeholder engagement through the design and conduct of resident surveys, as well as designing ways to integrate the survey findings into the NSPIRE Demonstration. We are committed to exploring advanced technology solutions and data collection methods that will provide an additional mechanism for resident feedback and improve the REAC inspection process.

Recent Events
REAC DAS David Vargas delivered a talk at Emphasys Software User Conference, St. Petersburg, FL, November 4-5, 2019.

REAC DAS David Vargas gave a speech on NSPIRE and REAC transformation at Public Housing Authorities Directors Association (PHADA) meeting in Phoenix, AZ, on January 6, 2020.

Upcoming Events
Deputy Assistant Secretary of REAC David Vargas will attend “HUD Forum on REAC/NSPIRE,” organized by the National Affordable Housing Management Association (NAHMA)

When: March 9, 2020 1:30 p.m. - 2:30 p.m.
Where: The Fairmont Hotel 2401 M Street NW Washington, DC 20037

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