

U.S. Department of Housing and Urban Development

550 12th Street, S.W.
Suite 100
Washington, D.C. 20410



OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

TO: All HUD Inspectors Certified in the use of the
Uniform Physical Condition Standards (UPCS) inspection protocol

FROM: Robert L. Garrett
Inspector Administration

SUBJECT: Physical Inspections/Inspector Administration
Business Rules – Inspector Performance Monitoring

EFFECTIVE DATE: January 20, 2006 Inspector Notice No. 2002-02

(THIS NOTICE REPLACES ALL PREVIOUS VERSIONS.)

Performance Monitoring and Deficiencies:

The Department of Housing and Urban Development (HUD) performs various quality assurance reviews to ensure the accuracy and consistency of inspections. Quality assurance reviews may be conducted at any time during the course of a property inspection, following an inspection, or separately. Each of these quality assurance reviews provide information about an inspector's performance and adherence to the Uniform Physical Condition Standards (UPCS) inspection protocol and code of conduct.

Inspectors who are found to not be in compliance with the UPCS or are found to be Outside of Standard (OS) as a result of the quality assurance reviews may be subject to administrative action

An inspector's performance may be found to be OS if he/she fails to adhere to any one of the following terms of the UPCS inspection protocol:

1. Inspectors must use the most current version of the DCD software, and be proficient in the use of the software.
2. Inspectors must exercise due diligence in completing and verifying an accurate property profile by doing the following:
 - Inspectors must download the inspection prior to arriving at the property.
 - Inspectors must visually verify the property profile, and be accompanied by a property representative.
 - Inspectors must use a rent roll or other all-inclusive list to determine units for inspection and to record property occupancy.

- Inspectors must accurately record the property profile in the data collection device (DCD).
 - Inspectors must only generate the sample after they have verified the property profile and rent roll on site.
3. Inspectors must conduct the inspection in strict accordance with the UPCS inspection protocol by completing the following steps:
- Inspectors must be accompanied by, and be in view of, a property representative throughout the entire inspection. If a property representative leaves an inspector alone, the inspector must wait for the representative to return before resuming the inspection.
 - Inspectors must inspect all five inspectable areas (Site, Building Exteriors, Building Systems, Common Areas, and Dwelling Units).
 - Inspectors must inspect all appropriate buildings and units as directed by the sample.
 - Inspectors must properly identify and record all observations (Not Applicable, No Observed Deficiency, and Observable Deficiency).
 - Inspectors must use the most current version of the DCD software, and be proficient in the use of the software.
4. Inspectors must accurately record all health and safety defects and leave a copy of the Exigent Health & Safety (E H S) report (if applicable) with the property representative.
5. Inspectors must adhere to the following UPCS Inspector Code of Conduct. Inspectors must:
- Maintain professional conduct and demeanor at all times during the inspection and interaction with the inspection participants.
 - Display the HUD-issued photo identification card during the entire inspection.
 - Defer questions from the residents regarding the property to the property representative.
 - Not make promises or representations that items will be repaired based on inspection results.
 - Not offer an opinion as to the quality of the property.
 - Not invade a resident's privacy by attempting to open a closed door in their residence. Defer to the property representative.
 - Not use any inspection property's facilities, a multifamily property owner's office, a housing agency office, or a HUD field office, to conduct personal business.
 - Not disclose any information to a third party about the inspection results. Defer to the property owner or representative.

Administrative Action:

Inspector Administration will issue a Notice of Deficiency (NOD) for each inspection when the inspector is found not to be in compliance or found to be OS. The inspector will have 15 business days from the date of notification to respond to the NOD. Inspector Administration will review the inspector's rebuttal to determine if a Performance Deficiency (PD) is warranted.

1. DECERTIFICATION REQUIREMENTS

When an inspector accumulates three (3) PDs, the inspector will be de-certified for a period of three years from the date of decertification. De-certified inspectors may not conduct UPCS inspections on behalf of HUD, will be denied access to the HUD inspection systems, and must return the HUD-issued ID card. In order to be re-certified, a de-certified inspector must meet current eligibility requirements, reapply for and successfully complete the certification training and testing.

Certain activities may be cause for an inspector's immediate de-certification if they occur during the course of an inspection. These include, but are not limited to, the following:

1. Purposeful violations and/or omissions of the inspection protocol;
2. Carrying a firearm or weapon onto a property;
3. Theft or intentional property damage;
4. Fraudulent activity;
5. Threatened or actual violence against a person while conducting an inspection;
6. Sexual or other Harassment; and
7. Canceling an inspection due to HUD performing a Quality Assurance Review of the inspector.
8. Being required to register as a sex offender

As warranted, Inspector Administration will refer the case to the Office of Inspector General or the Enforcement Center for action.

2. FAILING TO MAINTAIN ACTIVE CERTIFICATION REQUIREMENTS

To maintain active certification requirements, an inspector must actively perform inspections in accordance with the provisions of the Inspector Notice 2002-01. An inspector who fails to comply will be deactivated from performing inspections.

When an inspector has been deactivated for not maintaining the current certification requirements, the inspector is eligible for reactivation within the three-year period from the deactivation date. For inspectors who have been inactive for up to 12 months from the first date of inactivity, the inspector must successfully complete and pass the computer-based training (CBT) in order to be recertified. For inspectors who have been inactive for at least 1 year or more, the inspector must reapply for, successfully complete, and pass the certification training and testing.

3. DETERMINING THE NUMBER OF ACCUMULATED PERFORMANCE DEFICIENCIES

Inspector Administration will remove a PD if the inspector completes thirty (30) subsequent, consecutive inspections that are accepted by HUD since the PD was issued. The thirty acceptable inspection rule applies to the most current PD that has been issued. There is no other opportunity to apply the 30 acceptable PDs to previously issued PDs. If 30 subsequent, consecutive inspections have not been accepted, the PD will remain on the inspector's record. All PDs will have a life expectancy of three (3) years. After three years, the PD will be removed from the inspector's record.

Deficiency Status Example::

#	Inspector Action	Change to Status	Current Status
1	Out of Standard QA Review	+ one deficiency	1
2	Code of Conduct non compliance	+ one deficiency	2
3	30 acceptable inspections	- one deficiency	1
4	30 acceptable inspections	No change	1
5	Rejected Inspection	+ one deficiency	2
6	Out of Standard QA Review	+ one deficiency	3
Total No. of PDs			3

Please note: This rule applies to all inspections completed after the effective date of this notice. For those inspections that were completed prior to the effective date of this notice, the previous business rule on how to determine the number of PDs will apply.

The inspector, purchase order vendor and servicing mortgagees with whom the inspector has an affiliation will be notified of the PD associated with that inspection.

It is the responsibility of each inspector to routinely monitor the Inspector Administration website for updates to Inspector Administration, including inspection program, notices, training or other requirements. The website address is:

<http://www.hud.gov/offices/reac/products/pass/inspectors.cfm>.