



## UPCStoNSPIRE.com

The difference between NSPIRE and the 20-year old “legacy” UPCS inspection standards cannot be overstated. The NSPIRE protocol represents an exhaustive and complete transformation of what we have known about REAC inspections for the past two decades.

### ***REAC’s Big Inspection Plan for 2022***

- ❖ All properties not accepted into the NSPIRE demonstration (approx. 4500 properties were accepted) will be inspected using the UPCS (not the NSPIRE) and actionable scores given.
- ❖ HUD/REAC is attempting to inspect every due and past-due property during calendar year 2022.
- ❖ HUD is planning to inspect 2000 to 3000 properties every month throughout 2022
- ❖ HUD will be conducting numerous REAC certification classes to potentially double the number of REAC certified inspectors (plus train many more quality control personnel).
- ❖ NSPIRE demonstration (4500 properties) will continue through most of 2022 (providing “advisory” scores/reports).
- ❖ At some point after April 2023, all properties transitioning over to NSPIRE.

### ***NSPIRE Overview:***

- ❖ Demonstration began early in 2020 on a volunteer basis and was expected to last 12-24 months and then be rolled out as the new REAC standard to the entire US as early as April 2023.
- ❖ NSPIRE will require every HUD-assisted property to conduct (and upload to HUD) a completed 100% inspection. This upload will not be “graded” by HUD unless the property also fails their REAC inspection. Then HUD might review their 100% inspection to verify the inspection was thorough.
- ❖ As HUD shifts to the NSPIRE protocol they will be doing away with the Reverse Auction Program (RAP) and going back to prime contractors to facilitate the scheduling of inspections.
- ❖ NSPIRE protocol (when completed) will be streamlined and focus more on the welfare of the resident (health and safety) and less on appearance. Additionally, the scoring algorithm will be completely revamped to place a higher priority on the units.

# U.S. Inspection Group, Inc.



- As an example of HUD’s intensified focus on resident safety, the new standards include over 300 potential health and safety defects; with more than 100 of them being the 24-hour repair type.
  
- ❖ The current UPCS 5 inspectable areas (site, exterior, system, common area and units) will be reduced to 3 (Units, Outside, Inside). "Outside" will include the building exterior, site and some building systems with the "Inside" consisting of common areas and some systems.
  
- ❖ NSPIRE will no longer utilize “Levels of Severity” (Level 1 through 3) – but “yes” and “no” answers to inspection standards.
  
- ❖ Units will make up 50% of the overall REAC score with "Outside" and "Inside" being worth 25% each. A big difference will be the fact the units must "pass" their portion of the inspection to allow the overall property to pass. For example; if the property scores a 68 overall but the unit portion "fails", the overall property will also fail!
  
- ❖ The NSPIRE “Threes”: 3 Inspection Types; 3 Categories of Deficiencies; and 3 Inspectable Areas
  - 3 Inspection Types: POA self-inspection; Sanctioned REAC inspections; Follow-Up inspections (quality assurance triggered by various events including low scores)
  - 3 Categories of Deficiencies: Health and Safety; Function and Operation; and Condition and Appearance
    - Each category will ideally require certain types of maintenance;
    - Healthy and Safety will generate “emergency” work orders
    - Function and Operation will produce “routine” maintenance requirements
    - Condition and Appearance will produce “discretionary” maintenance needs
  - 3 Inspectable Areas: Units, Outside and Inside
  
- ❖ HUD will likely increase the sampling size during a REAC inspection - possibly doubling the number of units contained in the sample.
  
- ❖ The new inspection standards will include a huge increase in the number of deficiencies that are considered “exigent”, requiring repairs within 24-hours. Additionally, all “health and safety” defects will require repair and documentation back to HUD within 30 days.

*Current as of April 27, 2022*