**INTRODUCTION**

These instructions explain the contents of Chapter 8 of the model plan and discuss the policies and decisions the PHA must make. The chapter is organized as follows:

Part I. Physical Standards**.** This part explains conducting inspections using HUD’s NSPIRE standards .

Part II. The Inspection Process. This part describes the types of inspections the PHA will make and the steps that will be followed when units do not meet NSPIRE standards.

Part III. Rent Reasonableness Determinations. Part III discusses the policies and factors the PHA will use to make the rent reasonableness determination.

Special NSPIRE requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15.

**PART I. NSPIRE STANDARDS**

**8-I.A. INSPECTABLE AREAS [24 CFR 5.703(a)(1) and 24 CFR 5.705(a)(2)]**

This section describes the three inspectable areas under NPSIRE. **No policy decisions are required.**

**8-I.B.** **AFFIRMATIVE HABITABILITY REQUIREMENTS [24 CFR 5.703(b), (c), and (d)]**

This section describes affirmative habitability requirements. **No policy decisions are required.**

**8-I.C. Modifications to Provide Accessibility** **[24 CFR 100.203; Notice PIH 2003-31; and Notice PIH 2014-02]**

This paragraph of the plan highlights requirements of the Fair Housing Act of 1988. It explains that the owner must permit a family that contains a person with a disability to make reasonable modifications to the unit at the family’s expense. If the owner is going to require an escrow account or otherwise require the family to restore the unit when the family moves out, HUD requires the owner and family to have a restoration agreement that is separate from the security deposit.

🗹 **Decision Point: Does the PHA wish to review the terms of any restoration agreement to which the family agrees?**

Things to Consider

* The PHA is not required to review the restoration agreement and doing so represents an additional workload for staff. Even so, reviewing the document is recommended as part of the PHA's program integrity activities to ensure that the owner has presented a separate agreement and that no illegal side payments are included.

🞎 *Option 1:* *Use the model plan language shown below. No changes to the model plan are needed.*

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to the PHA for review.

🞎 *Option 2:**Delete the model plan language.*

**8-I.D. ADDITIONAL LOCAL REQUIREMENTS [24 CFR 5.705(a)(3) and Notice PIH 2024-26]**

The PHA may impose variations to the NSPIRE standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choices for families.

🗹 **Decision Point: Will the PHA include in its administrative plan any HUD-approved variations to NSPIRE standards?**

Things to Consider

* HUD approval is required for variations to NSPIRE standards and approved variations must be added to the administrative plan.
* After a PHA’s implementation of NSPIRE, previous variation approvals under NSPIRE that do not align with NSPIRE standards must be re-reviewed by HUD. PHAs must determine if any previously approved variation they wish to continue is now a variation of the NSPIRE standards just as they did under NSPIRE acceptability criteria. If the PHA determines the need for a variation still exists, they must submit a request to HUD as described in Notice PIH 2024-26.
* PHAs that wish to apply for approval of variant inspection standards from the NSPIRE standards must email REAC at NSPIREV\_AlternateInspection@hud.gov with a courtesy copy to their Field Office representative.

🞎 *Option 1:* *Use the model plan language shown below. No changes to the model plan are needed.*

The PHA has not requested any HUD-approved variations to NSPIRE standards.

🞎 *Option 2: Insert the PHA’s HUD-approved variations to the NSPIRE standards. Note, no model language is provided since variations will be PHA-specific.*

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**8-I.E. LIFE-THREATENING DEFICIENCIES [Notice PIH 2024-26]**

While the NSPIRE standards describe those conditions that are considered life-threatening, the PHA may add additional deficiencies which the PHA considers life-threatening.

🗹 **Decision Point: How will the PHA define life-threatening conditions that must be corrected within 24 hours?**

Things to Consider

* If the PHA wishes to include additional life-threatening deficiencies beyond those listed in the NSPIRE standards as outlined above, the PHA must identify these conditions in the administrative plan.
* Items you identify as life-threatening conditions must be corrected by the owner or the family (depending upon who is responsible) within 24 hours. The model plan includes a recommended list of life-threatening conditions.
* You should determine whether the local housing code imposes any applicable standards. If so, you should consider replacing or editing the model plan language to conform to those requirements.
* Any HUD-approved acceptability criteria variations that the PHA would like to identify as life-threatening under NSPIRE also must be identified in the PHA’s administrative plan.

🞎 *Option 1:* *Use the model plan language shown below. No changes to the model plan are needed.*

In addition to those listed under the NSPIRE standards, the following are considered life-threatening conditions:

Utilities not in service, including no running hot water

🞎 *Option 2:* *Make changes to the model plan language. Decide whether you want to retain, delete, or edit each of the activities included in the model plan. Make your edits directly on the model plan, and add any additional standards*.

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**8-I.F. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]**

**The following is applicable to HAP contracts executed or renewed June 5, 2024, or earlier:**

**Family Responsibilities**

🗹 **Decision Point: How will the PHA define *ordinary wear and tear*?**

Things to Consider

* The regulation states that the family is responsible for any member of the household or guest damages the dwelling unit or premises “beyond ordinary wear and tear” but does not define this term.
* Note, the policy here must match the policy found in Section 5-I.C of the model administrative plan under Family Obligations.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

Damages beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.

🞎 *Option 2: Use PHA-established policy. Edit the model plan language or delete it and insert the PHA’s policy.*

**Owner Responsibilities**

The owner must maintain the unit in accordance with housing quality standards.

🗹 **Decision Point: Will the PHA add any additional clarifying language to the model policy regarding owner responsibilities?**

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The owner is responsible for all housing quality violations not listed as a family responsibility above, even if the violation is caused by the family’s living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation, the owner may take legal action to evict the family.

The owner will be required to repair an inoperable smoke detector unless the PHA determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector within 24 hours.

🞎 *Option 2: Use PHA-established policy. Edit the model plan language or delete it and insert the PHA’s policy.*

**The following is applicable to HAP contracts executed or renewed June 6, 2024, or later.**

**Owner Obligation**

In the case of a housing quality standards deficiency that the PHA determines is caused by the tenant, any member of the household, or any guest or other person under the tenant’s control (other than damage resulting from ordinary use), the PHA may waive the owner’s responsibility to remedy the violation. The HAP to the owner may not be withheld or abated if the owner responsibility has been waived. However, if the family’s actions constitute a serious or repeated lease violation, the owner may take legal action to evict the family. In addition, the PHA may terminate the family’s assistance because of a housing quality standards breach (beyond damage resulting from ordinary use) caused by any member of the household, guest, or other person under the tenant’s control.

🗹 **Decision Point: When will the PHA waive the owner’s responsibility to remedy violations?**

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will waive the owner’s responsibility for housing quality standards deficiencies that have been determined to have been caused by the tenant, any member of the household, or any guest or other person under the tenant’s control, to the extent the tenant can be held responsible for ensuring that the deficiencies are corrected: the tenant must take all necessary steps permissible under the lease and State and local law to remedy the deficiency. This may include paying the owner for the cost of the necessary repairs in accordance with the lease.

🞎 *Option 2: Use PHA-established policy. Edit the model plan language or delete it and insert the PHA’s policy.*

**Family Responsibilities**

🗹 **Decision Point: How will the PHA define *ordinary wear and tear*?**

Things to Consider

* The regulation states that the family is responsible for any member of the household or guest damages to the dwelling unit or premises “beyond ordinary wear and tear” but does not define this term.
* Note, the policy here must match the policy found in Section 5-I.C. of the model administrative plan under Family Obligations.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

Damages beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.

🞎 *Option 2: Use PHA-established policy. Edit the model plan language or delete it and insert the PHA’s policy.*

**8-I.G. LEAD-BASED PAINT**

**Special Requirements for Children with Elevated Blood Lead Level [24 CFR 35.1225; FR Notice 1/13/17; Notice PIH 2017-13]**

This section describes what a PHA and owner must do if a child of less than six years of age, living in an HCV assisted unit is identified as having an elevated blood lead level.

**No policy decisions are required.**

**8-I-H. VIOLATION OF SPACE STANDARDS [24 CFR 5.703(d)(5)]**

This section describes what must happen if the PHA determines that a unit does not meet the space standards because of an increase in family size or a change in family composition.

**No policy decisions are required.**

**PART II. THE INSPECTION PROCESS**

**8-II.A. OVERVIEW [24 CFR 982.405]**

**Note:** This overview section is intended to cover general policies that apply to all types of inspections. Using the overview makes it unnecessary to repeat the information under each type of inspection. Policies that do not apply to all types of inspections are found later in this chapter under the appropriate inspection type.

**Types of Inspections**

This paragraph list the types of inspections the PHA will conduct. **No policy decisions are required.**

**Inspection of PHA-owned Units [24 CFR 982.352(b)]**

This paragraph explains the requirement for an independent entity to perform inspections for PHA-owned units. **No policy decisions are required.**

**Inspection Costs [Notice PIH 2016-05 and 24 CFR 5.705(h)]**

The PHA may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. However, the PHA may charge a reasonable fee to owners for reinspections in two situations: when the owner notifies the PHA that a repair has been made but the deficiency has not been corrected, and when the time for repairs has elapsed and the deficiency has not been corrected. Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.

The owner may not pass the cost of a reinspection fee to the family. Reinspection fees must be added to the PHA’s administrative fee reserves and may only be used for activities related to the provision of tenant-based assistance.

🗹 **Decision Point: Will the PHA impose a reinspection fee for owners?**

Things to Consider

* The regulation at 24 CFR 5.705(d) provides that PHAs may charge the owner a “reasonable fee” for some types of failed reinspections. The intent of the regulation is to allow PHAs to offset their costs for reinspections when repairs have not been completed.
* PHAs should consider whether imposition of a reinspection fee might discourage owner participation in the program, or otherwise reduce the opportunity of assisted families to lease a unit in a lower-poverty area.
* Imposing a fee would also require the PHA to develop procedures for owner notification, billing, and collections.
* For these reasons, and to avoid conflicts between owners and the PHA, Option 1 states that the PHA will not charge a reinspection fee.
* If you wish to establish a reinspection fee, please select Option 2.
* Option 2 calls for a fee of $25.00. While you may revise the amount of the fee, keep in mind that the fee must be reasonable. Notice PIH 2016-05 states that a fee will be considered reasonable if it reflects local practices for the establishment of similar fees. The PHA must also ensure that such a fee is not prohibited by state or local law.
* Option 2 also permits the PHA to waive the fee if repairs for non-life-threatening items were not completed due to factors beyond the owner’s control. Examples would include situations in which the family or weather conditions delayed completion of repairs.
* In the case of PHA-owned units, if the PHA adopts Option 2, for any inspection performed by a HUD-approved entity other than the PHA, the details of any reinspection fee must be spelled out in the contractual arrangement between the PHA and the entity as well.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will not charge a fee for failed reinspections.

🞎 *Option 2: Replace the standards in the model plan with the following:*

The PHA will impose a $25.00 reinspection fee to the owner for the first reinspection when:

The owner reports that a deficiency has been repaired, but reinspection reveals that the deficiency has not been repaired; or

When the time for repairs has elapsed and the deficiency has not been repaired.

The PHA may waive the fee if repairs for non-life threatening items were delayed due to circumstances beyond the owner’s control.

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Remote Video Inspections (RVIs) [Notice PIH 2020-31]**

The PHA may, but is not required to, perform required inspections through RVIs.

🗹 **Decision Point: Will the PHA use remote video inspections (RVIs) for any of their inspections?**

Things to Consider

* In cases such as local, state, or federal physical distancing orders, natural disasters, or inclement weather, the PHA may wish to conduct inspections remotely. The RVI allows an inspector to determine that a unit meets NSPIRE standards from a remote location using video streaming technology and a person at the inspection site who serves as a proxy. The proxy follows the instructions of the remote inspector throughout the inspection.
* Notice PIH 2020-31 requires that if the does PHA choose to implement RVIs, the PHA adopt policies and procedures to address limitations in the application of technology to provide sufficient information or evidence to allow the PHA to make appropriate determinations about whether a condition violates NSPIRE standards.
* The PHA may conduct all or a portion of their inspections via RVIs. To give the PHA the broadest possible flexibility, Option 2 states that RVIs may be used for all inspection types with one exception (discussed below). If the PHA wishes to limit the use of RVIs, for example only using RVIs to verify the correction of deficiencies, the model policy language should be edited.
* The PHA may want to consider limiting the circumstances under which RVIs will be performed. For example, RVIs may be limited to use as a reasonable accommodation for high-risk tenants who wish to limit their exposure to persons outside of their unit. Conversely, the PHA may wish to limit RVIs to units it deems low-risk. For example, the PHA may wish to continue conducting onsite inspections for pre-1978 units where a child under six resides or will reside, as these units may be deemed high-risk by the PHA. Option 2 states that RVIs will not be conducted for these units. If the PHA chooses to limit RVIs to certain units, the PHA should define the universe of units that are or ineligible for an RVI.
* Once the PHA decides which inspections, if any, will be conducted by RVI, both the PHA and “impacted party with legal possession of the unit” should agree to the use of the RVI.
* A proxy must be selected to follow the inspector’s instructors on site. Notice PIH 2020-31 states the PHA may rely on the owner, a property representative, tenant, or any adult associated with tenancy to serve as the proxy. In order to give the PHA the largest number of options, Option 2 states that any of these individuals may serve as proxy.
* If a family member is to serve as proxy, the PHA will need to consider the needs of disabled and elderly family members who may have limited mobility and limited support resources.
* Further, the PHA should notify the proxy in advance that they will be required to determine that there is no smell of natural gas, methane, or other noxious gas.
* When selecting a proxy, the PHA must determine if the proxy has sufficient equipment to accurately conduct the inspection, including a:
  + Distance measuring device, i.e., a tape measure.
  + Lighting device, i.e., a flashlight.
  + Circuit analyzer to test the low-voltage operation of electrical lines.
  + Means to test smoke and carbon monoxide detectors.
  + Temperature device for displaying the internal unit temperature.
  + Mobile device such as a smartphone or tablet with reliable data service or Wi-Fi connectivity. The device must have a high camera resolution (megapixels, sensors, and pixel size) to see details such as paint chips or broken glass.
* When the proxy is the tenant or an adult associated with tenancy, the likelihood that they will have the necessary equipment and/or connectivity or cellular data described above is low. Further, requesting that the family use their data for an RVI may place an undue burden on the family since mobile providers typically charge for the data. Notice PIH 2020-31 states that in this situation the PHA will need to consider how to provide this equipment to the proxy if another proxy cannot be identified.
* When the proxy is an owner or property representative, the likelihood that they will have the necessary equipment and/or connectivity is much higher.
* If the PHA wishes to instead supply any necessary equipment the proxy may need, the PHA should edit the model policy with PHA-developed language. The PHA may wish to develop RVI toolkits that include necessary equipment for the proxy. If the PHA decides to loan out equipment, the PHA needs to consider how to get the equipment to proxies, the staff time for making these deliveries, how equipment is to be returned to the PHA, and how equipment will be disinfected once it is returned.
* Even if the proxy has reliable internet for streaming the inspection and proper equipment, the proxy may be unfamiliar with the streaming platform used by the PHA and may need technical assistance from the PHA or remote inspector. The PHA should consider the time and resources that may be needed to provide technical assistance. The PHA should train the inspector who will participate in RVIs on the use of these platforms, not only so the inspector is comfortable with using the technology, but so that the inspector may assist the proxy if the proxy has any technical issues with the platform.
* Option 2 states that if the proxy identified by the PHA does not have sufficient equipment and/or internet connectivity, and another proxy cannot be identified, the PHA will conduct an in-person inspection.
* For pre-1978 properties, the PHA must verify that the proxy and the inspector have both completed the online *HUD Lead-Based Paint Visual Assessment Training Course*. As such, this limits who may serve as a proxy for these types of units since it is unlikely the family will complete this training. The PHA should require that the proxy present evidence of certification prior to start of the inspection.
* The PHA should also take into account that there may be certain issues that are impossible to detect over video streaming like indoor air quality issues and consider how the remote inspector will address these.
* The PHA should consider that if an emergency fail item is identified during an RVI, whether the PHA will conduct another RVI within 24 hours or whether the PHA will conduct an onsite inspection to confirm that the condition has been abated.
* The PHA must provide adequate privacy safeguards to protect Personally Identifiable Information (PII) during the RVI.
* Finally, if the PHA adopts RVIs, the PHA should also develop a procedure for how the RVIs will be implemented on the day and address, for example, any preparation on the part of the proxy or the inspector prior to the inspection, how long inspectors will wait for the proxy to connect via the online platform, what to do in case of connectivity issues, and whether screenshots will be used to document deficiencies or other aspects of the inspection.
* Option 1 states that the PHA will not conduct inspections using RVIs. If the PHA chooses to perform RVIs, the PHA should select Option 2.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will not conduct any inspections using RVI.

🞎 *Option 2: Replace the standards in the model plan with the following:*

At the PHA’s discretion, the PHA may use remote video inspections (RVIs) for all inspection types as an alternative to an onsite inspection. The PHA will not, however, conduct RVIs in pre-1978 units where a child or children under six will reside. For these units, the PHA will conduct an onsite inspection unless the participant requests and RVI as a reasonable accommodation.

Before conducting an RVI, both the PHA and impacted party with legal possession of the unit must agree to its use. Prior to conducting any RVI, the PHA will agree with the relevant parties to use an RVI rather than an onsite inspection. For unoccupied units, this agreement will be between the PHA and the owner. For occupied units, the agreement will be between the PHA and the tenant or other adult household member. In either case, if an agreement cannot be reached, the PHA will conduct an onsite inspection.

When selecting a proxy, the PHA may relay on the owner, property representative, tenant, or any adult associated with tenancy. The proxy will be selected through a mutual decision between the PHA, owner, and family.

When selecting the proxy, the PHA will:

Verify that, for properties built before 1978 where a child under six resides or will reside, the proxy has completed the *HUD Lead-Based Paint Visual Assessment Training Course*;

Ensure the proxy is able to determine whether there is a smell of natural gas, methane, or other noxious gas; and

Ensure that on the day of the inspection the proxy has a:

Tape measure.

Working flashlight.

Circuit analyzer to test the low-voltage operation of electrical lines.

Means to test smoke and carbon monoxide detectors.

Temperature gun.

Smartphone or tablet reliable internet connection either through 4G or 5G connectivity and sufficient data or reliable Wi-Fi available onsite. The device must have a high camera resolution (megapixels, sensors, and pixel size).

If the PHA cannot identify a proxy that is able to meet the above criteria, the PHA will conduct an in-person inspection.

The proxy must follow the directions of the inspector. The proxy will live stream the inspection using the PHA’s designated streaming web-based platform. The RVI may not be recorded.

During the RVI, the inspector will:

Verify the address and street name outside the unit match that of the unit to be inspected.

Inspect the unit’s exterior and adjoining properties in accordance with NSPIRE standards through the proxy.

Inspect all interior spaces in accordance with NSPIRE standards through the proxy.

For pre-1978 properties, follow all national and state lead-based paint requirements.

During the RVI, the proxy will:

Examine all sides of a structure, including fences and outbuildings, visually examining paint conditions of all siding, trim, windows, porches, steps, columns, and any other painted areas on the unit’s exterior.

Review each room separately and visually examine the paint conditions of walls, ceilings, steps, floors, doors, door frames, and windows, including window troughs.

Document the amount of deterioration, indicating whether the scale is greater or less than the HUD de minimis amounts for deteriorated paint (including cracked, chipped, or otherwise damaged paint).

If at any time it becomes clear that the connection is unreliable, the lighting in the unit is insufficient, the necessary tools are unavailable, the noise level in or outside the unit is unacceptable, or any other circumstances as determined by the inspector, the inspector will record the unit as failed and schedule an in-person inspection.

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Notice and Scheduling**

The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice [24 CFR 982.551(d)].

🗹 **Decision Point: How will the PHA define “reasonable times after reasonable notice”?**

Things to Consider

* The model plan assumes inspections will take place between the hours of 8:00 a.m. and 7:00 p.m. on business days only and that, except for emergencies, families will receive at least 48 hours notice.
* You should check local tenant-landlord ordinances or other legislation that might affect the notice required.
* If your policy is different for different types of inspections, you should cover this subject under each type of inspection rather than in this introductory section.
* It is likely that for some types of inspections your staff will schedule the inspections well in advance of 48 hours. Remember, just because the plan says the minimum notice is 48 hours doesn't mean that the PHA can't give more notice.
* If the PHA chooses to conduct RVIs, scheduling and notification for RVIs should follow the same policies as for in-person inspections. If the PHA conducts RVIs and chooses to notify both the family and owner of all inspections, use Option 3 below.
* The notice for the RVI appointment should include a link to the teleconferencing platform used by the PHA and any information the proxy may need in order to successfully perform the RVI. The PHA may also want to include information on how to use the platform in order to help make the process run more smoothly.
* Because the results of any inspection may result in work for the landlord, it is good practice to notify both the owner and family of all inspections. If the PHA does not want to notify the owner of all inspections, use Option 2 below. If the PHA conducts RVIs and does not want to notify the owner of all inspections, select Option 4 below.

🞎 *Option 1: If the PHA has chosen not to implement RVIs, use the model plan language shown below. No changes to the model plan are needed.*

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:00 a.m. and 7:00 p.m. Generally, inspections will be conducted on business days only. In the case of a life-threatening emergency, the PHA will give as much notice as possible, given the nature of the emergency.

🞎 *Option 2: If the PHA has chosen not to implement RVIs and does not want to notify the owner of all inspections, delete model plan language and substitute language as shown below.*

The family will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:00 a.m. and 7:00 p.m. Generally, inspections will be conducted on business days only. In the case of a life-threatening emergency, the PHA will give as much notice as possible, given the nature of the emergency.

🞎 *Option 3: If the PHA has chosen to implement RVIs, delete model plan language and substitute language as shown below .*

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:00 a.m. and 7:00 p.m. Generally, inspections will be conducted on business days only. In the case of a life-threatening emergency, the PHA will give as much notice as possible, given the nature of the emergency.

If the PHA will conduct the inspection via an RVI, the notices to the family and owner will:

Inform the family and the owner that the inspection will be conducted through an RVI rather than onsite inspection

Provide a brief explanation of RVIs

Give the rationale for RVI implementation

Provide a contact number and email address to raise questions or concerns

Provide a link to the teleconferencing platform

🞎 *Option 4: If the PHA has chosen to implement RVIs and does not want to notify the owner of all inspections, delete model plan language and substitute language as shown below.*

The family will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:00 a.m. and 7:00 p.m. Generally, inspections will be conducted on business days only. In the case of a life-threatening emergency, the PHA will give as much notice as possible, given the nature of the emergency.

If the PHA will conduct the inspection via an RVI, the notice to the family will:

Inform the family and the owner that the inspection will be conducted through an RVI rather than onsite inspection

Provide a brief explanation of RVIs

Give the rationale for RVI implementation

Provide a contact number and email address to raise questions or concerns

Provide a link to the teleconferencing platform

🞎 *Option 5: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Owner and Family Inspection Attendance**

HUD permits the PHA to set policy regarding family and owner presence at the time of inspection [HCV p. 10-27].

🗹 **Decision Point: Who must be present at the time of the inspection?**

Things to Consider

* The inspection often is an opportunity to help explain or clarify program requirements and therefore attendance by the head or spouse and the owner/owner representative would be desirable. But, increasing the number of people who must attend makes scheduling more difficult for PHA staff.
* Some PHAs inspect units if the owner or owner representative is present, even if an adult family member is not present.
* If the PHA chooses to conduct RVIs, HUD recommends that the owner and/or the family be in attendance.

🞎 *Option 1*: *Use the model plan language shown below. No changes to the model plan are needed.*

When a family occupies the unit at the time of inspection an authorized adult must be present for the inspection. The presence of the owner or the owner’s representative is encouraged but is not required.

At initial inspection of a vacant unit, the PHA will inspect the unit in the presence of the owner or owner’s representative. The presence of a family representative is permitted but is not required.

🞎 *Option 2: Edit the model plan language by substituting any of the following:*

An adult family member must be present for all inspections.

An adult family member and an owner’s representative must be present for the inspection.

The PHA will conduct the inspection if either an adult family member or an owner's representative is present.

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**8-II.B. INITIAL INSPECTION [24 CFR 982.405(a)]**

**Approving Units with Non-Life-Threatening Deficiencies [FR Notice 1/18/17; Notice PIH 2017-20; FR Notice 5/7/24; and 24 CFR 982.405(j)]**

The PHA may, but is not required to, approve the assisted tenancy and start HAP if the unit fails inspection, but only if the deficiencies identified are non-life-threatening.

🗹 **Decision Point: Will the PHA approve assisted tenancy and start HAP if the unit fails inspection for non-life-threatening conditions?**

Things to Consider

* Option 1 states the PHA will not use the NLT option.
* Option 2 states the PHA will use the NLT option and should be selected when the PHA will not also rely on alternative inspections.
* If the PHA wishes to rely on alternative inspections and use the NLT option, select Option 3.
* The following is applicable if the PHA selects Option 2:
  + - A PHA that implements the NLT option may apply the option to all of the PHA’s initial inspections or may limit it to certain units.
    - If the NLT option is adopted, the PHA must follow requirements listed at 24 CFR 982.405(j) for family and owner notification.
    - The PHA’s administrative plan must specify the circumstances under which the PHA will exercise the NLT option, if any.
    - If the PHA adopts the alternative inspection option in combination with the non-life-threatening deficiencies option, the PHA most follow family and owner notification requirements listed at 24 CFR 982.406(f).
    - The PHA must notify the owner and the family if the NLT option is available for the unit selected by the family. After completing the inspection and determining there are no life-threatening deficiencies, the PHA provides both the owner and the family with a list of all the non-life-threatening deficiencies identified by the initial inspection and, should the owner not complete the repairs within 30 days, the maximum amount of time the PHA will withhold HAP before abating assistance.
    - The PHA must also inform the family that if the family accepts the unit and the owner fails to make the repairs within the cure period, which may not exceed 180 days from the effective date of the HAP contract, the PHA will terminate the HAP contract, and the family will have to move to another unit in order to receive voucher assistance. The family may choose to decline the unit based on the deficiencies and continue its housing search.
    - The PHA must establishes in the administrative plan:
      * The maximum amount of time it will withhold payments if the owner fails to correct the deficiencies within the required cure period before abating payments; and
      * The date by which the PHA will terminate the HAP contract for the owner's failure to correct the deficiencies, which may not exceed 180 days from the effective date of the HAP contract.

🞎 *Option 1*: *Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will not use the NLT option. All units must pass the initial inspection on or before the effective date of the HAP contract.

🞎 *Option 2:If the PHA will use the NLT option but will not rely on alternative inspections, replace the language in the model plan with the following:*

The PHA will approve the assisted tenancy, execute a HAP contract, and begin paying HAP for any unit that fails the initial inspection if the deficiencies identified during the inspection are non-life-threatening deficiencies as described in the NSPIRE standards and identified in Section 8-I.E. The PHA will apply this policy to all initial inspections.

The PHA will notify the family of the NLT option as part of the briefing. The PHA will notify the owner at the time of scheduling the initial inspection. After completing the inspection and determining there are no NLT deficiencies, the PHA will send written notice to the owner and the family of all NLT deficiencies identified. The notice will also inform the family that if the family accepts the unit and the owner fails to make the repairs within the cure period, the PHA will terminate the HAP contract, and the family will have to move to another unit in order to receive voucher assistance. The family may choose to decline the unit based on the deficiencies and continue its housing search. The notice to the owner will also inform the owner that if the owner fails to make the repairs within the cure period, the PHA will terminate the HAP contract, and the family will have to move to another unit in order to receive voucher assistance.

If the family decides to lease the unit, the PHA and the owner execute the HAP contract, and the family enters into the assisted lease with the owner. The PHA commences making assistance payments to the owner.

The owner must correct severe and moderate deficiencies within 30 days from the effective date of the HAP contract. If low deficiencies are present in a unit, these deficiencies will only be noted by the inspector for informational purposes. If the owner fails to correct the deficiencies within the 30-day cure period, the PHA must withhold the housing assistance payments until the owner makes the repairs and the PHA verifies the correction. Once the deficiencies are corrected, the PHA will use the withheld housing assistance payments to make payments for the period that payments were withheld. If the severe and moderate deficiencies are not corrected within notice period, the PHA will abate follow abatement policies listed in Section 8-II.G., Enforcing Owner Compliance.

The owner may be in abatement for a maximum of 60 days before the PHA terminates the HAP contract in accordance with Section 8-II.G., Enforcing Owner Compliance.

🞎 *Option 3: If the PHA will use both the NLT option and rely on alternative inspection, replace the language in the model plan with the following:*

The PHA will use both the NLT option and rely on alternative inspections as described below.

🞎 *Option 4: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Approving Units Using Alternative Inspections [FR Notice 1/18/17; Notice PIH 2017-20; FR Notice 5/7/24; and 24 CFR 982.406]**

A PHA may comply with the inspection requirements in [24](https://www.ecfr.gov/current/title-24/section-982.405#p-982.405(a)) CFR 982.405(a) and [(b)](https://www.ecfr.gov/current/title-24/section-982.405#p-982.405(b)) by relying on an alternative inspection (i.e., an inspection conducted for another housing program) only if the PHA is able to obtain the results of the alternative inspection.

🗹 **Decision Point: Will the PHA authorize occupancy of a unit prior to the PHA’s inspection if the property has passed an alternative inspection in the previous 24 months?**

Things to Consider

* Option 1 states the PHA will not rely on alternative inspections.
* If the PHA wishes to rely on alternative inspections, select Option 2.
* If the PHA wishes to rely on alternative inspections and use the NLT option, select Option 3.
* The following is applicable to Option 2:
  + The PHA may implement the use of alternative inspections for both initial and periodic inspections or may limit the use of alternative inspections to either initial or periodic inspections.
  + The PHA may limit the use of alternative inspections to certain units, as provided in the PHA’s administrative plan.
  + In order to qualify as an alternative inspection method, the eligible inspection method must meet the requirements under 24 CFR 982.406(c).
  + The PHA must identify alternative inspection methods being used in the administrative plan, making clear the specific properties and types of properties for which the inspection methods will be employed.
  + If an alternative inspection method employs sampling, then a PHA may rely on such alternative inspection method for purposes of an initial or periodic inspection only if units occupied by voucher program participants are included in the population of units forming the basis of the sample.
  + In order for a PHA to rely on the results of an alternative inspection for purposes of an initial or periodic inspection, a property must meet the standards or requirements regarding housing quality or safety applicable to properties assisted under the program using the alternative inspection method. To make the determination of whether such standards or requirements are met, the PHA must adhere to the following procedures:
  + If a property is inspected under an alternative inspection method, and the property receives a “pass” score, then the PHA may rely on that inspection.
  + If a property is inspected under an alternative inspection method, and the property receives a “fail” score, then the PHA may not rely on that inspection.
  + If a property is inspected under an alternative inspection method that does not employ a pass/fail determination—for example, in the case of a program where deficiencies are simply identified—then the PHA must review the list of deficiencies to determine whether any cited deficiency would have resulted in a “fail” score under NSPIRE. If no such deficiency exists, then the PHA may rely on the inspection. If such a deficiency does exist, then the PHA may not rely on the inspection.
  + Under any circumstance described above, a PHA is prohibited from relying on an alternative inspection method for a property, the PHA must, within a reasonable period of time, conduct an inspection of any units in the property occupied by voucher program participants and follow NSPIRE procedures to remedy any identified deficiencies.
  + The PHA may approve the tenancy, allow the family to enter into the lease agreement, and execute the HAP contract for a unit that has been inspected in the previous 24 months where the alternative inspection meets the requirements of this section.
  + The PHA notifies the owner and the family that the unit selected by the family is eligible for the alternative inspection option. The PHA must provide the family with the PHA list of life-threatening deficiencies as part of this notification. If the owner and family agree to the use of this option, the PHA approves the assisted tenancy, allows the family to enter into the lease agreement with the owner, and executes the HAP contract on the basis of the alternative inspection.
  + The PHA must conduct an inspection within 30 days of receiving the RTA. If the family reports a deficiency to the PHA prior to the PHA’s inspection, the PHA must inspect the unit within the time period required under [24 CFR 982.405(d)](https://www.ecfr.gov/current/title-24/section-982.405#p-982.405(d)) or within 30 days of the effective date of the HAP contract, whichever time period ends first.
  + The PHA must enter into the HAP contract with the owner before conducting the inspection. The PHA may not make housing assistance payments to the owner until the PHA has inspected the unit.
  + The PHA may start housing assistance payments to the owner and make housing assistance payments retroactive to the effective date of the HAP contract only after the unit passes the PHA’s inspection. If the unit does not pass the PHA’s inspection, the PHA may not make housing assistance payments to the owner until all the deficiencies have been corrected. If a deficiency is life-threatening, the owner must correct the deficiency within 24 hours of notification from the PHA. For other deficiencies, the owner must correct the deficiency within no more than 30 calendar days (or any PHA-approved extension) of notification from the PHA. If the owner corrects the deficiencies within the required cure period, the PHA makes the housing assistance payments retroactive to the effective date of the HAP contract.
  + The PHA must establish in the administrative plan:
  + The maximum amount of time it will withhold payments if the owner does not correct the deficiencies within the required cure period before abating payments; and
  + The date by which the PHA will terminate the HAP contract for the owner’s failure to correct the deficiencies, which may not exceed 180 days from the effective date of the HAP contract.
* The following is applicable to Option 3:
  + The PHA notifies the owner and the family that both the alternative inspection option and the NLT option are available for the unit selected by the family. The PHA must provide the family the list of HQS deficiencies that are considered life-threatening as part of this notification. If the owner and family agree to the use of both options, the PHA approves the assisted tenancy, allows the family to enter into the lease agreement with the owner, and executes the HAP contract on the basis of the alternative inspection.
  + The PHA must conduct an inspection within 30 days after the family and owner submit a complete RTA. If the family reports a deficiency to the PHA prior to the PHA’s inspection, the PHA must inspect the unit within the time period required under [24 CFR 982.405(d)](https://www.ecfr.gov/current/title-24/section-982.405#p-982.405(d)) or within 30 days of the effective date of the HAP contract, whichever time period ends first.
  + The PHA must enter into the HAP contract with the owner before conducting the initial inspection. The PHA may not make housing assistance payments to the owner until the PHA has inspected the unit. If the unit passes inspection, the PHA commences making housing assistance payments to the owner and makes payments retroactive to the effective date of the HAP contract.
  + If the unit fails the PHA’s initial inspection but has no life-threatening deficiencies, the PHA commences making housing assistance payments, which are made retroactive to the effective date of the HAP contract. The owner must correct the deficiencies within 30 days from the effective date of the HAP contract. If the owner fails to correct the deficiencies within the 30-day cure period, the PHA must withhold the housing assistance payments until the owner makes the repairs and the PHA verifies the correction. Once the unit is in compliance with HQS, the PHA may use the withheld housing assistance payments to make payments for the period that payments were withheld.
  + If the unit does not pass the inspection and has life-threatening deficiencies, the PHA may not commence making housing assistance payments to the owner until all the deficiencies have been corrected. The owner must correct all life-threatening deficiencies within 24 hours of notification from the PHA. For other deficiencies, the owner must correct the deficiency within 30 days (or any PHA-approved extension) of notification from the PHA. If the owner corrects the deficiencies within the required cure period, the PHA makes the housing assistance payments retroactive to the effective date of the HAP contract.
  + The PHA must establish in the administrative plan:
  + The maximum amount of time it will withhold payments if the owner fails to correct the deficiencies within the required cure period before abating payments; and
  + The date by which the PHA will terminate the HAP contract for the owner’s failure to correct the deficiencies, which may not exceed 180 days from the effective date of the HAP contract.

🞎 *Option 1*: *Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will not rely on alternative inspections and will conduct an initial inspection for each unit prior to executing a HAP contract with the owner.

🞎 *Option 2: If the PHA will rely on alternative inspections but will not use the NLT option, replace the language in the model plan with the following:*

The PHA will rely on alternative inspections that meet the criteria listed in the administrative plan for initial inspections only. The PHA will rely on alternative inspections conducted under low-income housing tax credit (LIHTC) and HOME programs, as well as inspections performed by HUD, provided the unit passed inspection in the last 24 months. In this case, the PHA will approve the assisted tenancy and execute the HAP contract on or before the beginning of the lease term but prior to the PHA conducting an initial inspection.

Upon receipt of the Request for Tenancy Approval (RTA), the PHA will determine if the unit passed an alternative inspection within the previous 24 months. The PHA will review the alternative inspection to ensure it meets all requirements listed in 24 CFR 982.406 (c) and (d). If an alternative inspection method employs sampling, the PHA will only use the inspection if units occupied by voucher program participants are included in the population of units forming the basis of the sample. If a property inspected under an alternative inspection method receives a “pass” score, then the PHA will rely on that inspection. If a property inspected under an alternative inspection method receives a “fail” score, the PHA will not rely on that inspection. If a property does not employ a pass/fail determination, then the PHA will review the list of deficiencies to determine whether any cited deficiency would have resulted in a “fail” score. If no such deficiency exists, then the PHA will rely on the inspection. If such a deficiency does exist, then the PHA will not rely on the inspection. If the PHA is unable to rely on an alternative inspection, the PHA will conduct its own inspection within a reasonable period of time, not to exceed 14 calendar days.

The PHA will notify the owner that an alternative inspection will be used at the time of scheduling the PHA’s inspection. The PHA will confirm with the owner that they agree with this method. The PHA will notify the family of the alternative inspections as part of the briefing and will provide the family with a list of life-threatening deficiencies as part of the briefing packet so that the family may immediately notify the PHA of any life-threatening deficiencies found in the unit.

If the owner and family agree to the use of this option, the PHA approves the assisted tenancy, allows the family to enter into the lease agreement with the owner, and executes the HAP contract on the basis of the alternative inspection. The PHA will enter into the HAP contract with the owner before conducting the inspection. The PHA will not make housing assistance payments to the owner until the PHA has inspected the unit.

If the family reports a deficiency to the PHA prior to the PHA’s inspection, the PHA will inspect the unit within the time period required under [24 CFR 982.405(d)](https://www.ecfr.gov/current/title-24/section-982.405#p-982.405(d)) or within 30 days of the effective date of the HAP contract, whichever time period ends first.

The PHA will conduct the initial inspection within 30 days of receiving the RTA.

If the unit passes inspection, the PHA will pay HAP retroactive to the effective date of the HAP contract and the start of the assisted lease term.

If the unit does not pass the PHA’s inspection because of severe or moderate conditions, the PHA will follow the PHA’s policies on paying HAP for units with non-life-threatening deficiencies. The PHA will notify the owner in writing of any deficiencies, and the owner will have 30 days, or a PHA-approved extension, to correct the deficiencies.

If the unit does not pass inspection because of life-threatening deficiencies as identified in Section 8-I.E., the owner must correct the defects within 24 hours.

The PHA will follow policies in Section 8-II.G., Enforcing Owner Compliance, if the owner does not correct the deficiencies within the required time frames listed above. Under no circumstances will the HAP contract continue beyond 180 days of the effective date of the HAP contract if the unit is not in compliance with NSPIRE standards.

🞎 *Option 3: If the PHA will use both the NLT option and rely on alternative inspections, replace the language in the model plan with the following:*

The PHA will use both the NLT option and rely on alternative inspections.

The PHA will rely on alternative inspections that meet the criteria listed in the administrative plan for initial inspections only. The PHA will rely on alternative inspections conducted under low-income housing tax credit (LIHTC) and HOME programs, as well as inspections performed by HUD, provided the unit passed inspection in the last 24 months. In this case, the PHA will approve the assisted tenancy and execute the HAP contract on or before the beginning of the lease term but prior to the PHA conducting an initial inspection.

Upon receipt of the Request for Tenancy Approval (RTA), the PHA will determine if the unit passed an alternative inspection within the previous 24 months. The PHA will review the alternative inspection to ensure it meets all requirements listed in 24 CFR 982.406 (c) and (d). If an alternative inspection method employs sampling, the PHA will only use the inspection if units occupied by voucher program participants are included in the population of units forming the basis of the sample. If a property inspected under an alternative inspection method receives a “pass” score, then the PHA will rely on that inspection. If a property inspected under an alternative inspection method receives a “fail” score, the PHA will not rely on that inspection. If a property does not employ a pass/fail determination, then the PHA will review the list of deficiencies to determine whether any cited deficiency would have resulted in a “fail” score. If no such deficiency exists, then the PHA will rely on the inspection. If such a deficiency does exist, then the PHA will not rely on the inspection. If the PHA is unable to rely on an alternative inspection, the PHA will conduct its own inspection within a reasonable period of time, not to exceed 14 calendar days.

The PHA will notify the owner that an alternative inspection will be used at the time of scheduling the PHA’s inspection. The PHA will confirm with the owner that they agree with this method. The PHA will notify the family of the alternative inspections as part of the briefing and will provide the family with a list of life-threatening deficiencies as part of the briefing packet so that the family may immediately notify the PHA of any life-threatening deficiencies found in the unit.

If the owner and family agree to the use of this option, the PHA approves the assisted tenancy, allows the family to enter into the lease agreement with the owner, and executes the HAP contract on the basis of the alternative inspection. The PHA will enter into the HAP contract with the owner before conducting the inspection. The PHA will not make housing assistance payments to the owner until the PHA has inspected the unit.

If the family reports a deficiency to the PHA prior to the PHA’s inspection, the PHA will inspect the unit within the time period required under [24 CFR 982.405(d)](https://www.ecfr.gov/current/title-24/section-982.405#p-982.405(d)) or within 30 days of the effective date of the HAP contract, whichever time period ends first.

The PHA will conduct the initial inspection within 30 days of receiving the RTA.

If the unit passes inspection, the PHA will pay HAP retroactive to the effective date of the HAP contract and the start of the assisted lease term.

If the unit fails but has no life-threatening deficiencies, the PHA will pay HAP retroactive to the effective date of the HAP contract. The owner must correct severe and moderate deficiencies within 30 days from the effective date of the HAP contract. If low deficiencies are present in a unit, these deficiencies will only be noted by the inspector for informational purposes. If the owner fails to correct the deficiencies within the 30-day cure period, the PHA must withhold the housing assistance payments until the owner makes the repairs and the PHA verifies the correction. Once the deficiencies are corrected, the PHA will use the withheld housing assistance payments to make payments for the period that payments were withheld. If the severe and moderate deficiencies are not corrected within the notice period, the PHA will abate follow abatement policies listed in Section 8-II.G., Enforcing Owner Compliance.

The owner may be in abatement for a maximum of 60 days before the PHA terminates the HAP contract in accordance with Section 8-II.G., Enforcing Owner Compliance.

If the unit does not pass inspection and has life-threatening deficiencies, the PHA will not pay HAP to the owner until all the deficiencies have been corrected. The owner must correct all life-threatening deficiencies within 24 hours of notification from the PHA. For other deficiencies, the owner must correct the deficiency within 30 days (or any PHA-approved extension) of notification from the PHA. If low deficiencies are present in a unit, these deficiencies will only be noted by the inspector for informational purposes. If the owner corrects the deficiencies within the required cure period, the PHA will pay HAP retroactive to the effective date of the HAP contract. If the severe and moderate deficiencies are not corrected within the notice period, the PHA will abate follow abatement policies listed in Section 8-II.G., Enforcing Owner Compliance.

The owner may be in abatement for a maximum of 60 days before the PHA terminates the HAP contract in accordance with Section 8-II.G., Enforcing Owner Compliance.

🞎 *Option 4: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Timing of Initial Inspections [24 CFR 982.305(b)(2)(i)]**

There are three decisions the PHA must make regarding the timing of inspections: the timeframe for conducting initial inspections, the turnaround time for reinspections, and the number of reinspections the PHA is willing to do.

🗹 **Decision Point: How many days can the PHA take to complete the initial inspection and notify the family and owner of the results?**

Things to Consider

* Unless the PHA relies on alternative inspections, the timeframe for completing initial inspections is regulatory for PHAs with 1,250 or fewer units [982.305(b)(2)]. Therefore, PHAs in this category **must** choose Option 1.
* For PHAs with more than 1,250 units, although it is not required, the regulations do state that “to the extent practicable” the PHA must complete the inspection and make the determination with 15 days.
* Based on this regulatory language, the model plan uses the 15-day standard for all PHAs.
* For PHAs with more than 1,250 units, the model language can be adapted to allow the PHA to take longer than 15 days to complete the initial inspection. However, keep in mind the standard set by the regulation—it is only in cases where it is not practicable that the PHA can take longer than 15 days to complete.
* If the PHA relies on alternative inspections, Option 3 or 4 should be selected as applicable.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed (This option must be used for PHA with 1,250 or fewer units who do not use alternative inspections).*

The PHA will complete the initial inspection, determine whether the unit satisfies NSPIRE standards, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA).

🞎 *Option 2: Edit the model language to say (This option may only be used for PHAs with more than 1,250 units who do not use alternative inspections)*:

To the extent practicable, the PHA will complete the initial inspection, determine whether the unit satisfies NSPIRE standards, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA).

In cases where the PHA is not able to complete the inspection within 15 days, the file will be documented as to the reason it was not practicable.

🞎 *Option 3: Edit the model language to say (This option may only be used for PHAs with more than 1,250 units who use alternative inspections)*:

Where the PHA relies on an alternative inspection, the PHA will follow the requirements for alternative inspections. Otherwise, the PHA will complete the initial inspection, determine whether the unit satisfies NSPIRE standards, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA).

🞎 *Option 4: Edit the model language to say (This option may only be used for PHAs with more than 1,250 units who use alternative inspections)*:

Where the PHA relies on an alternative inspection, the PHA will follow the requirements for alternative inspections. Otherwise, to the extent practicable, the PHA will complete the initial inspection, determine whether the unit satisfies NSPIRE standards, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA).

In cases where the PHA is not able to complete the inspection within 15 days, the file will be documented as to the reason it was not practicable.

🞎 *Option 5: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Inspection Results and Reinspections**

For new units proposed for the HCV program, life-threatening deficiencies must be resolved before the HAP contract is executed and the family moves into the unit.

🗹 **Decision Point: How much time will the owner have to make repairs, and what turnaround time will the PHA commit to for reinspections?**

Things to Consider

* The model plan does not identify a specific number of days the owner will be given to correct the deficiencies, it simply states that the owner will be notified of the time frame for correcting any deficiencies.
* By not specifying the number of days in the policy the PHA will be able to exercise judgment in how many days to give, based on the nature and extent of the deficiencies.
* The model plan also allows a PHA to grant an extension to the time frame for correcting deficiencies. Providing extensions may reduce the number of additional reinspections requested by the family and owner.
* The model plan specifies that reinspections will be made within five business days of the owner's notice. PHAs need to determine if this timeframe is appropriate taking into consideration staffing and workload, as well as the time sensitive nature of the leasing process for both families and owners.
* If the PHA chooses to implement RVIs, and the PHA wants to conduct inspections via RVI rather than in person, select Option 2.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

If any deficiencies are identified, the owner will be notified of the deficiencies and be given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by the PHA for good cause. The PHA will reinspect the unit within five business days of the date the owner notifies the PHA that the required corrections have been made.

🞎 *Option 2: If the PHA uses RVIs, delete the model plan language and insert the language below.*

If any deficiencies are identified, the owner will be notified of the deficiencies and be given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by the PHA for good cause. The PHA will reinspect the unit within five business days of the date the owner notifies the PHA that the required corrections have been made. The reinspection will typically be conducted by RVI, although at the PHA’s discretion, the PHA may choose to conduct an onsite inspection to verify deficiencies have ben corrected.

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

🗹 **Decision Point: At what point will the PHA disapprove the unit and notify the family to search for a new unit?**

Things to Consider

* The language in the model plan commits the PHA to conducting one reinspection but allows the PHA to schedule a second reinspection at the PHA’s discretion.
* This language minimizes the number of reinspections the PHA will be required to perform for new units, but also provides flexibility to the PHA by allowing for an additional reinspection when there is good cause (e.g., the owner made a good faith effort to make the repair, but the unit still did not meet NSPIRE standards).
* On the other hand, if the violations were minor and the owner did not correct them within the specified correction period, the PHA is not required to conduct a second reinspection.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

If the time period for correcting the deficiencies (or any PHA-approved extension) has elapsed, or the unit fails at the time of the reinspection, the PHA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. The PHA may agree to conduct a second reinspection, for good cause, at the request of the family and owner.

Following a failed reinspection, the family may submit a new Request for Tenancy Approval after the owner has made repairs, if they are unable to locate another suitable unit.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Utilities**

🗹 **Decision Point: Will the PHA permit the utilities to be placed in service after the unit has met all other standards?**

Things to Consider

* Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying. Especially when a unit may have been vacant for some time, the owner may not want to put utilities back online until it is clear that the PHA will otherwise accept the unit into the program.

🞎 *Option 1:* *Use the model plan language shown below. No change to the model plan is needed.*

Utility service must be available for testing at the time of the initial inspection.

🞎 *Option 2:* *If the PHA uses RVIs, delete the model policy and insert the language below.*

If utility service is not available for testing at the time of the initial inspection, the PHA will allow the utilities to be placed in service after the unit has met all other NSPIRE requirements. The PHA will reinspect the unit via RVI to confirm that utilities are operational before the HAP contract is executed by the PHA.

🞎 *Option 3: Adopt a policy that permits delayed inspection of utilities.*

If utility service is not available for testing at the time of the initial inspection, the PHA will allow the utilities to be placed in service after the unit has met all other NSPIRE requirements. The PHA will reinspect the unit to confirm that utilities are operational before the HAP contract is executed by the PHA.

🞎 *Option 4: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Appliances**

🗹 **Decision Point: How will the PHA confirm the existence of family-provided appliances?**

Things to Consider

* Most families that are moving cannot install appliances in a unit until the HAP contract is executed. The PHA needs to confirm that appliances not present at the time of the initial inspection have been provided. If the PHA wishes to confirm this via onsite inspection, select Option 1. If the PHA wishes to confirm this via RVI, select Option 2.

🞎 *Option 1: Use the model plan language shown below. No change to the model plan is needed.*

If the family is responsible for supplying the stove and/or refrigerator, the PHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other NSPIRE requirements. The required appliances must be in place before the HAP contract is executed by the PHA. The PHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

🞎 *Option 2: Use the model plan language shown below. No change to the model plan is needed.*

If the family is responsible for supplying the stove and/or refrigerator, the PHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other NSPIRE requirements. The required appliances must be in place before the HAP contract is executed by the PHA. The PHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. An RVI will be scheduled within 30 days of HAP contract approval.

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**8-II.C. PERIODIC INSPECTIONS** **[24 CFR 982.405(b) and Notice PIH 2016-05]**

PHAs may establish a policy for performing unit inspections biennially rather than annually. Small rural PHAs (as defined in 24 CFR 982.305(b)(2)) may conduct inspections triennially.

🗹 **Decision Point: Will the PHA choose to adopt biennial inspections?**

Things to Consider

* HCV regulations require that units must be inspected “at least biennially.”
* PHAs still have the option to inspect every unit annually.
* Whether units are inspected annually or biennially, PHAs are still responsible for ensuring that subsidies are paid only for units meeting NSPIRE standards.
* PHAs may employ both annual and biennial inspections as long as the criteria are fair and are applied uniformly.
* HUD discourages agencies from adopting biennial inspections for reasons unrelated to the owner’s record of compliance. For example, a policy based on the unit’s distance from PHA facilities would not be acceptable.
* HUD states that moving to biennial inspection for HCV units will reduce the administrative and financial burden on PHAs and high performing landlords and enables PHAs to concentrate their inspection resources on more marginal and higher-risk units. Further, biennial inspections can assist PHAs in avoiding duplicative inspections at properties where there are other programs and regular inspections are being conducted under these programs.
* Attachment K of Notice PIH 2016-05 states that a PHA that moves to biennial inspections for all units in its portfolio does not need to update its administrative plan, while PHAs that continue to perform inspections annually or that perform mix of annual and biennial inspections would need to indicate this choice in the administrative plan. This language indicates that HUD views biennial inspections as the default inspection type for the HCV program. As such, Option 1 indicates that the PHA will conduct biennial inspections, but in order to give the PHA the greatest flexibility and to account for marginal and higher risk units, leaves the PHA the right to conduct annual inspections at any time for any owner.
* Note that PHAs who conduct biennial inspections under Option 1 should consider the potential for fraud and abuse by some program owners and should robustly encourage families to report any violations in their units between biennial inspections. Further, PHAs that adopt biennial inspections should strongly consider performing in-person reinspections when violations are identified rather than allowing for self-certification of repairs.
* Option 2 provides for annual inspections since PHAs in areas with marginal housing stock or where layering with other affordable housing programs is uncommon may wish to continue to conduct inspections annually on all units.
* Option 3 provides a hybrid model that offers biennial inspections only if units meet certain criteria indicated in the policy. While Option 3 may offer the PHA flexibility, it may also be burdensome for the PHA to track which units are eligible for biennial inspection and which units require annual inspection.
* In a *Federal Register* notice dated February 27, 2020, HUD stated that small rural PHAs (i.e., PHAs administering fewer than 550 combined vouchers and public housing units that predominantly operates in a rural area as defined in the February 27th notice) have the flexibility to conduct inspections at least once every *three* years rather than biennially. Option 4 reflects this flexibility. However, small rural PHAs selecting Option 4 may not begin using the three-year inspection schedule until after the next currently scheduled inspection is carried out. That is, if a unit is currently on a biennial inspection schedule, and one year has passed since the last inspection, its next inspection must still take place the following year, and only after that may the small rural PHA implement the three-year inspection schedule. This flexibility only applies to periodic inspections during the period of time a participant lives in a unit and does not apply to initial and interim inspections. If the PHA implements a triennial inspection schedule for periodic inspections, all requirements related to lead safety still apply.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

Each unit under HAP contract must be inspected biennially within 24 months of the last full inspection. The PHA reserves the right to require annual inspections of any unit or owner at any time.

🞎 *Option 2: Replace the language in the model plan with the following:*

Each unit under HAP contract must be inspected annually within 12 months of the last full inspection.

🞎 *Option 3: Replace the language in the model plan with the following:*

Each unit under HAP contract must be inspected within either 12 months or 24 months of the last full inspection, as follows:

An initial annual inspection will always be due within 12 months after the initial inspection.

If a unit passes this annual inspection, the unit will not be due for its next regular inspection for 24 months. The unit must be inspected within 24 months of the last full inspection. For these units, should a special (complaint) inspection take place in the second 12-month period following the last regular inspection, a full inspection will take place as a regular inspection, resetting the inspection clock.

Units that fail the first annual inspection will be inspected within 12 months of that inspection. These units will be moved to a biennial inspection schedule only if they pass annual inspection for two years in a row.

For any unit that is on a biennial inspection schedule, if the unit is found to have any life-threatening deficiencies, the owner of that unit will be required to participate in annual inspections for the period of 24 months before being returned to biennial inspections. This does not apply to life-threatening deficiencies caused by tenants. One or more substantiated complaints will also require the owner of that unit to participate in annual inspections for all units for the period of 24 months before being returned to biennial inspections.

🞎 *Option 4: Replace the language in the model plan with the following:*

The PHA is a small rural PHA, and as such, beginning after its next currently scheduled inspection, will inspect each unit under HAP contract once every three years within 36 months of the last full inspection.

🞎 *Option 5: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Scheduling the Inspection**

🗹 **Decision Point: How will the PHA handle family “no shows” or requests to reschedule for the annual/biennial inspection?**

Things to Consider

* The language in this Section concerning who attends the inspection should be consistent with the policy stated in 8-II.A. above.
* Having to reschedule appointments and make multiple trips to the unit to conduct inspections is burdensome to the PHA. A stringent policy with respect to rescheduling helps the PHA complete inspections within the timeframes expected by HUD.
* On the other hand, terminating assistance because the family has failed to make the unit available for inspection is a serious step.
* You should select a policy that is appropriate for your jurisdiction.

🞎 *Option 1: Use the model plan language shown below. No change to the model plan is needed.*

If an adult cannot be present on the scheduled date, the family should request that the PHA reschedule the inspection. The PHA and family will agree on a new inspection date that generally should take place within five business days of the originally scheduled date. The PHA may schedule an inspection more than five business days after the original date for good cause.

If the family misses the first scheduled appointment without requesting a new inspection date, the PHA will automatically schedule a second inspection. If the family misses two scheduled inspections without PHA approval, the PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family’s assistance in accordance with Chapter 12.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**8-II.D. INTERIM INSPECTIONS [24 CFR 982.405(d)]**

The PHA will conduct an interim inspection if the owner, family, or another source reports violations in the unit. If a participant or government official reports a life-threatening condition which the owner would be required to repair within 24 hours, the PHA must inspect the unit within 24 hours of notification. If the reported condition does not require a 24-hour repair, the PHA must inspect the unit within 15 days of notification.

🗹 **Decision Point: What policies does the PHA want to establish with respect to interim inspections?**

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

During an interim inspection, the PHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the periodic inspection has been scheduled or is due within 90 days of the date the interim inspection is scheduled the PHA may elect to conduct a full inspection.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**8-II.E. SUPERVISORY QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b); 24 CFR 985.3(e); HCV GB p. 10-32]**

This section of the model plan briefly describes HUD quality control requirements. **No policy decisions are required.**

**8-II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT**

**Correction Timeframes**

This section describes correction timeframes for deficiencies under NSPIRE. **No policy decisions required.**

**The following is applicable to HAP contracts executed or renewed June 5, 2024, or earlier:**

**Notification of Corrective Actions**

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies deficiencies, the PHA will determine (1) whether or not the deficiency is life-threatening, severe, moderate, or low and (2) whether the family or owner is responsible.

🗹 **Decision Point: How and when will the PHA notify owners of the results of an inspection?**

Things to Consider

* The model plan specifies that life-threatening deficiencies must be corrected within 24 hours. Severe and moderate deficiencies must be corrected within 30 days unless an exception is given.
* Because life-threatening deficiencies must be corrected so quickly, the owner and family will be notified immediately by phone, facsimile or email.
* When conditions are moderate or severe, the PHA will notify the owner and family within five business days. This time period is shorter than the general time period of 10 business days used throughout the plan. This shortened timeframe will ensure that deficiencies are corrected as quickly as possible.
* The notice of inspection results will inform the owner and family of the consequences if the deficiencies are not corrected (e.g., HAP abatement, termination of the family’s assistance).
* Including this information in the first notice is not required but is good practice.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

When life-threatening deficiencies are identified, the PHA will immediately notify both parties by telephone or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the PHA’s notice.

When failures that are severe or moderate are identified, the PHA will send the owner and the family a written notification of the inspection results within five business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally, not more than 30 days will be allowed for the correction. If low deficiencies are identified, these deficiencies will only be noted for informational purposes.

The notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life-threatening conditions are not corrected within the specified time frame (or any PHA-approved extension), the owner’s HAP will be abated in accordance with PHA policy (see 8-II.G.).

Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any PHA-approved extension, if applicable) the family’s assistance will be terminated in accordance with PHA policy (see Chapter 12).

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**The following is applicable to HAP contracts executed or renewed June 6, 2024, or later:**

**Notification of Corrective Actions [24 CFR 982.404(d)(1)]**

A PHA may withhold assistance payments for units that have deficiencies once the owner has been notified in writing of the deficiencies.

🗹 **Decision Point: How and when will the PHA notify owners of the results of an inspection?**

Things to Consider

* The PHA’s administrative plan must identify the conditions under which the PHA will withhold HAP.
* The PHA must abate the HAP, including amounts that had been withheld, if the owner fails to make the repairs within the applicable cure period.
* The PHA must notify the family and the owner that it is abating payments and, if the unit does not meet housing quality standards within 60 days (or a reasonable longer period established by the PHA), the PHA will terminate the HAP contract for the unit and the family will have to move to receive continued assistance.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies housing quality standards failures, the PHA will determine (1) whether or not the failure is a life-threatening condition and (2) whether the family or owner is responsible.

The PHA will not withhold assistance payments upon notification of the deficiencies to the owner.

When life-threatening conditions are identified, the PHA will immediately notify both parties by telephone or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the PHA’s notice.

When failures that are not life-threatening are identified, the PHA will send the owner and the family a written notification of the inspection results within five business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally, not more than 30 days will be allowed for the correction.

If the owner is responsible for correcting the deficiency, the notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life-threatening conditions are not corrected within the specified time frame (or any PHA-approved extension), the owner’s HAP will be abated in accordance with PHA policy (see 8-II.G.).

Likewise, if the family is responsible for correcting the deficiency, the notice will inform the family that if corrections are not made within the specified time frame (or any PHA-approved extension, if applicable) the family’s assistance will be terminated in accordance with PHA policy (see Chapter 12).

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Extensions**

For life-threatening deficiencies, the PHA cannot grant an extension to the 24-hour corrective action period. For conditions that are severe or moderate, the PHA may grant an exception to the required time frames for correcting the violation, if the PHA determines that an extension is appropriate.

🗹 **Decision Point: When will the PHA consider an exception to the timeframes for correcting deficiencies?**

Things to Consider

* The model plan allows for extensions to be granted in cases where the PHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner’s control. Included are three examples, but extensions are not limited to these criteria, giving the PHA maximum flexibility.
* A PHA may wish to limit extensions by identifying the specific circumstances that the PHA will consider as “reasons beyond the owner’s control.” Although this type of policy will minimize the number of extension requests a PHA will have to consider, it may also restrict the PHA from granting an otherwise reasonable extension request simply because it does not meet the specific criteria identified in the PHA’s policy.
* The model plan language sets an outside date for non-weather-related extensions of 60 calendar days and requires that weather-related corrections be made within 15 calendar days once the climate conditions have subsided.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

Extensions will be granted in cases where the PHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner’s control. Reasons may include, but are not limited to:

A repair cannot be completed because required parts or services are not available.

A repair cannot be completed because of weather conditions.

A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case-by-case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days, once the weather conditions have subsided.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**Reinspections [24 CFR 982.405(i)]**

🗹 **Decision Point: What is the process for scheduling and conducting reinspections?**

Things to Consider

* The PHA is required to take appropriate action if deficiencies remain uncorrected following the correction period, therefore, the reinspection must be scheduled immediately following the correction period.
* At the time the unit fails the reinspection, the PHA will notify the owner and the family of the results, and any applicable consequences (HAP abatement or termination of assistance).
* The model plan clarifies that if the PHA cannot gain entry to reinspect the unit, this will be considered a violation of family obligations and the family may be terminated in accordance with policies in Chapter 12.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will conduct a reinspection immediately following the end of the corrective period, or any PHA approved extension.

The family and owner will be given reasonable notice of the reinspection appointment. If the deficiencies have not been corrected by the time of the reinspection, the PHA will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with PHA policies. If the PHA is unable to gain entry to the unit in order to conduct the scheduled reinspection, the PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family’s assistance in accordance with Chapter 12.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

🗹 **Decision Point: Will the PHA allow for the use of photos or other documentation of repairs rather than conducting a physical reinspection that deficiencies were corrected?**

Things to Consider

* The PHA may establish different verification methods for initial and non-initial inspections or for different deficiencies.
* The PHA may use photo enforcement or other documented proof of repairs that show the date of repair to verify corrections have been made. For example, a PHA might accept an owner’s certification that required repairs were completed and then verify that action at the next on-site inspection.
* If the PHA chooses to adopt this policy, the PHA may tie the verification process to the severity of corrections needed and/or its experience with the owner and property.
* PHA policy should specify what items may be photo-enforced (if any) and what types of documented proof of repairs (if any) may be provided by the owner.
* Notice PIH 2011-29 states that whether PHAs are storing inspection files electronically, or with hard copy files, each photo taken should:
  + Be clearly labeled so that the relevant content of the photo is easily identified;
  + Be matched to a specific item on the inspection form along with any written description of the violation; and
  + When HCV landlords submit photos, they should also be clearly labeled and matched to a specific item on the form.
* PHAs may not require HCV owners to submit photos of corrected violations.
* It is incumbent upon all PHAs using photos for inspections to remember that protection of tenant and landlord privacy is a serious matter. In addition to a deficiency or correction, some photos may contain personal effects of the participant or landlord. PHAs should ensure that these photos remain secure and are used only by staff or others needing access for purposes of the inspection. It is recommended that photos remain within a secure file as long as a family is receiving assistance in the specific unit. By following the steps above and creating a secure storage system for all inspection photos, PHAs can guard against the release or use of photos for unintended purposes and protect landlord and participant privacy.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will not accept self-certification of repairs. Photos or other documentation of repairs will not be accepted in lieu of a reinspection.

🞎 *Option 2: Delete the language in the model plan and replace with the following.*

The PHA may accept self-certification from the owner that deficiencies have been corrected provided the owner has no history of noncompliance with the program and all deficiencies are severe or moderate. In deciding whether to allow for this type of documentation, the PHA will consider the severity of corrections needed and/or its experience with the owner and property.

Self-certification may include photos or videos, certification from a building maintenance official that work has been completed, evidence from a utility company that service has been restored, or other documented proof of repairs that include the date of repair such as receipts. All verifications must document the repair was made to the PHA’s satisfaction and that a deficiency is no longer present.

The PHA will only allow for self-certification of severe and moderate deficiencies. The PHA will not accept self-certification of repairs in PBV units, for repairs made due to deficiencies at initial move-in, for life-threatening deficiencies, or for any life safety systems such as smoke alarms.

When the PHA permits the use of photos as verification of correction, each photo taken must be clearly labeled so that the relevant content of the photo is easily identified and must be matched to a specific item on the inspection form along with any written description of the deficiency.

The PHA will ensure that any photos or videos remain secure and are used only by staff or others needing access for purposes of the inspection. Photos or videos will remain within a secure file as long as a family is receiving assistance in the specific unit.

All evidence of repairs must be submitted to the PHA at least five business days prior to the scheduled reinspection date or of the deadline provided to the owner and family; otherwise, the reinspection date will stand. The PHA will encourage owners to use email to submit all documentation. The PHA will notify the owner of the acceptance or denial of the submitted documentation via email or phone at least one business day prior to the inspection. If the PHA does not accept the owner’s self-certification, the inspection date will stand.

The PHA reserves the right to conduct an in-person inspection to verify corrections have been made at any time. The PHA may require a reinspection, regardless of whether the owner submits self-certification documentation, and may deny the option to submit a self-certification where any question remains regarding the integrity of the documentation provided, where documentation is lacking (i.e., fail items where no receipts or other evidence reflect repair), or where an owner has a repeated history of regular or repeat fails.

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**8-II.G. ENFORCING OWNER COMPLIANCE**

If the owner fails to maintain the dwelling unit in accordance with NSPIRE standards, the PHA must take prompt and vigorous action to enforce the owner obligations.

**The following is applicable to HAP contracts executed or renewed June 5, 2024, or earlier:**

**HAP Abatement**

🗹 **Decision Point: What is the effective date of abatements?**

Things to Consider

* If an owner fails to correct deficiencies by the time specified by the PHA, HUD requires the PHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension).
* No retroactive payments will be made to the owner for the period of time the rent was abated.
* Owner rents are not abated as a result of deficiencies that are the family's responsibility.
* The PHA has the option of placing the abatement as of the first of the month following the expiration of the 30-day abatement notice or abating rent exactly 30 days after expiration of the notice and pro-rating the rent the owner is due.
* Abating HAP exactly 30 days after notice to the owner imposes on the PHA the additional administrative burden of pro-rating the amount of HAP the owner is entitled to. However, waiting until the first of the following month delays the abatement.
* If HAP is abated exactly 30 days after the correction period expires the PHA will either have to offset future HAPs or collect the overpaid amount directly from the owner if no future HAPs are made (HAP contract is terminated).

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will make all HAP abatements effective the first of the month following the expiration of the PHA specified correction period (including any extension).

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

🗹 **Decision Point: When will reinspections occur and housing assistance payments reinstated following abatement of HAP?**

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will inspect abated units within five business days of the owner’s notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**HAP Contract Termination**

The PHA must decide how long any abatement period will continue before the HAP contract will be terminated. The PHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time [HCV p. 10-29] and must give the owner reasonable notice of the termination.

🗹 **Decision Point: How long will the PHA permit a unit to be abated before the HAP contract will be terminated?**

Things to Consider

* The family generally is permitted to remain in the unit during the abatement period and is therefore living in an unsatisfactory situation.
* Since the PHA should not terminate the HAP contract until the family has found another place to live, the maximum length of time has been set at 90 days.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The maximum length of time that HAP may be abated is 90 days. However, if the owner completes corrections and notifies the PHA before the termination date of the HAP contract, the PHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

Reasonable notice of HAP contract termination by the PHA is 30 days.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**The following is applicable to HAP contracts executed or renewed June 6, 2024, or later:**

**HAP Withholding [24 CFR 982.404(d)(1)]**

A PHA may withhold assistance payments for units that have housing quality standards deficiencies once the PHA has notified the owner in writing of the deficiencies.

🗹 **Decision Point: Will the PHA withhold assistance payments?**

Things to Consider

* The PHA’s administrative plan must identify the conditions under which the PHA will withhold HAP.
* In this case, if the unit is brought into compliance during the applicable cure period, the PHA resumes assistance payments and provides assistance payments to cover the time period for which the payments were withheld.

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will not withhold assistance payments upon notification to the owner of the deficiencies.

🞎 *Option 2: Delete the language in the model plan and replace with the following.*

The PHA will withhold assistance payments upon notification to the owner of any non-life-threatening deficiencies. Withholding will occur during the cure period which is 30 days (or a PHA-approved extension). The PHA will not withhold HAP when deficiencies are life-threatening. If the owner fails to make repairs during the applicable cure period, the PHA will follow policies for abatement and termination of the HAP contract as outlined below.

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**HAP Abatement [24 CFR 982.404(d)(2)]**

The PHA must abate the HAP, including amounts that had been withheld, if the owner fails to make the repairs within the applicable cure period. In this case, the PHA must notify the family and the owner that it is abating payments and, if the unit does not meet housing quality standards within 60 days (or a reasonable longer period established by the PHA), the PHA will terminate the HAP contract for the unit and the family will have to move to receive continued assistance. In this case, the PHA must issue the family its voucher to move at least 30 days prior to the termination of the HAP contract.

The owner may not terminate the tenancy of any family due to the withholding or abatement of assistance.

🗹 **Decision Point: What is the effective date of abatements?**

Things to Consider

* If an owner fails to correct deficiencies by the time specified by the PHA, HUD requires the PHA to abate housing assistance payments.
* No retroactive payments will be made to the owner for the period of time the rent was abated.
* Owner rents are not abated as a result of deficiencies that are the family’s responsibility.
* The PHA has the option of placing the abatement as of the first of the month following the expiration of the 30-day abatement notice or abating rent exactly 30 days after expiration of the notice and pro-rating the rent the owner is due.
* Abating HAP exactly 30 days after notice to the owner imposes on the PHA the additional administrative burden of pro-rating the amount of HAP the owner is entitled to. However, waiting until the first of the following month delays the abatement.
* If HAP is abated exactly 30 days after the correction period expires the PHA will either have to offset future HAPs or collect the overpaid amount directly from the owner if no future HAPs are made (HAP contract is terminated).

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will make all HAP abatements effective the first of the month following the expiration of the PHA-specified correction period (including any extension).

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

🗹 **Decision Point: When will reinspections occur and housing assistance payments reinstated following abatement of HAP?**

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The PHA will inspect abated units within five business days of the owner’s notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**HAP Contract Termination**

The PHA must decide how long any abatement period will continue before the HAP contract will be terminated. If the unit does not meet housing quality standards within 60 days (or a reasonable longer period established by the PHA), the PHA will terminate the HAP contract for the unit and the family will have to move to receive continued assistance. In this case, the PHA must issue the family its voucher to move at least 30 days prior to the termination of the HAP contract.

🗹 **Decision Point: How long will the PHA permit a unit to be abated before the HAP contract will be terminated?**

🞎 *Option 1: Use the model plan language shown below. No changes to the model plan are needed.*

The maximum length of time that HAP may be abated is 60 days. However, if the owner completes corrections and notifies the PHA before the termination date of the HAP contract, the PHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

Reasonable notice of HAP contract termination by the PHA is 30 days. The PHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**8-II.H. ENFORCING FAMILY COMPLIANCE [24 CFR 982.404(b)]**

Families are responsible for correcting any deficiencies listed in paragraph8-I.D. If the family fails to correct a violation within the period allowed by the PHA (and any extensions), the PHA will terminate the family’s assistance, according to the policies described in Chapter 12. **No policy decisions are required.**

**PART III. RENT REASONABLENESS [24 CFR 982.507]**

**8-III.A. OVERVIEW**

This overview section introduces the concept of rent reasonableness and explains the requirement for an independent entity to determine rent reasonableness for PHA-owned units. **No policy decisions are required.**

**8-III.B. WHEN RENT REASONABLNESS DETERMINATIONS ARE REQUIRED**

**Owner-Initiated Rent Determinations**

The PHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family.

🗹 **Decision Point: How will requests for rent increases from owners be processed?**

Things to Consider

* The model plan language allows the PHA to require the owner to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. This is similar to the information owners are required to submit with the Request for Tenancy Approval.
* The model plan language also clarifies that when comparables from the owner are used, the PHA will consider the length of tenancy in the other units. This is important because someone who moved into a complex 10 years ago (when rent was much lower), will likely be paying a lower amount of rent (even considering annual rent increases) than someone who moves in today.

|  |
| --- |
| **Example of the impact of this policy.**  *Note: This example is not included in the model plan.*  An owner is asking $500 for a unit and 3 other units of the same size that have turned over this year are renting for $500 but 4 units that have been occupied by the same tenants for many years have rents ranging from $450 to $480. It would be reasonable for the PHA to assume that the market for units becoming available now is $500. |

* The model plan states that the PHA will make a determination of rent reasonableness within 10 business days of receiving the request for a rent increase from the owner. This time frame is used whenever possible in the model plan for administrative ease and consistency.
* The plan states that the effective date of the rent increase will be the first of the month following 60 days after the PHA’s receipt of the owner’s request, or the date specified by the owner, whichever is later. The owner is required to submit the request 60 days prior to the proposed effective date. The model plan policy is consistent with this time frame.
* When determining an appropriate effective date, remember that families must be given adequate notice of any rent increase. In this plan, adequate notice is considered 30 days.
* If changes are made to the policy here, changes may also need to be made to the policy in Section 9-I.H.

🞎 *Option 1:* *Use the model plan language shown below. No changes to the model plan are needed.*

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner’s lease. For rent increase requests after initial lease-up, the PHA may request owners to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. In evaluating the proposed rents in comparison to other units on the premises the PHA will consider unit size and length of tenancy in the other units.

The PHA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

All rents adjustments will be effective the first of the month following 60 days after the PHA’s receipt of the owner’s request or on the date specified by the owner, whichever is later.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**PHA and HUD-Initiated Rent Reasonableness Determinations**

HUD requires the PHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 10 percent decrease in the fair market rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct the PHA to make a determination at any other time. The PHA may decide that a new determination of rent reasonableness is needed at any time.

🗹 **Decision Point: Does the PHA want to identify any other circumstances that will trigger a new determination of rent reasonableness?**

Things to Consider

* The regulations permit the PHA to review rent reasonableness at any time. Therefore, it is not necessary for the administrative plan to specify the circumstances when the PHA will do so. However, stating when the PHA will do so is a good practice and will help to ensure consistency among staff.
* Once the PHA establishes the policy, the PHA must monitor those circumstances and take action when they are met.
* The model plan includes two circumstances in which the PHA will initiate a new rent reasonableness determination.
* When a market area suffers an economic recession that results in higher vacancy rates, rents may actually decline. In such circumstances owners may decide not to request a rent adjustment. You may wish to establish a threshold at which the PHA will redetermine rent reasonableness based upon market conditions. Note that this policy is NOT in the model plan. Sample language has been provided in Option 2 below.

🞎 *Option 1:* *Use the model language shown below. No changes to the model plan are needed.*

In addition to the instances described above, the PHA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) the PHA determines that the initial rent reasonableness determination was in error or (2) the PHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

🞎 *Option 2: Edit the plan and use the language below.*

In addition to the instances described above, the PHA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) the PHA determines that the initial rent reasonableness determination was in error, (2) the PHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect, or (3) the vacancy rate for standard units in the market area changes by more than 2% within a calendar year and the owner has not requested a rent adjustment.

🞎 *Option 3: PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**LIHTC and HOME-Assisted Units [24 CFR 982.507(c)]**

This subsection of the model plan lists the comparability requirements for LIHTC- and HOME-assisted units. **No policy decisions are required.**

**8-III.C. HOW COMPARABILITY IS ESTABLISHED**

**Factors to Consider**

This subsection of the model plan lists the HUD-required factors that affect comparability. **No policy decisions are required.**

**Units that Must Not Be Used as Comparables**

This subsection of the model plan identifies the units HUD specifies must not be used as comparables. **No policy decisions are required.**

**Rents Charged for Other Units on the Premises**

By accepting the PHA payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give the PHA information regarding rents charged for other units on the premises.

**No policy decisions are required.**

**8-III.D . PHA RENT REASONABLENESS METHODOLOGY**

HUD requires the PHA to describe its methodology for making rent reasonableness determinations. Section 8-III.D is intended to be that description. The PHA should describe three aspects of the methodology: (1) how the PHA collects market data, (2) how the PHA uses the information collect and (3) how negotiations with owners will be handled. Each of these is discussed below.

**How Market Data Is Collected**

🗹 **Decision Point: The PHA must describe in the plan how the PHA collects the information it will use for rent reasonableness.**

Things to Consider

* The default policy in the model plan describes in general terms the kind of sources the PHA can use to collect information about rent. You should insert more specific language that describes the way data is collected at your authority. For example if you conduct periodic full scale market studies using staff or a contractor, this should be described in the plan.
* Likewise, some PHAs may use online tools such as [www.AffordableHousing.com](http://www.AffordableHousing.com), which will collect and maintain data on market rents in the PHA’s jurisdiction. Option 2 provides a policy for [www.AffordableHousing.com](http://www.AffordableHousing.com) users.
* Please note that the model plan language says that the PHA will not use data that is older than 12 months.

🞎 *Option 1:* *Use the model language shown below. No change to the model plan is needed.*

The PHA will collect and maintain data on market rents in the PHA's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis and rent information that is more than 12 months old will be eliminated from the database.

🞎 *Option 2: Edit the plan and use the language below.*

The PHA will primarily utilize [www.AffordableHousing.com](http://www.AffordableHousing.com) which will collect and maintain data on market rents in the PHA's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes.

The data will be updated on an ongoing basis and rent information that is more than 12 months old will be archived in [www.AffordableHousing.com](http://www.AffordableHousing.com). Market Rent Data greater than 12 months old will not be used for eligibility but may be used for reference.

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**How Rents are Determined**

🗹 **Decision Point: How will the PHA describe the analysis method it will use to make rent reasonableness determinations?**

Things to Consider

* The default model plan language is taken from HUD Handbook 4350.1 for multifamily housing programs. Although the handbook does not apply to the HCV program, these factors present a good overview of how the PHA makes its decision and address common questions raised by owners.
* If the PHA uses [www.AffordableHousing.com](http://www.AffordableHousing.com) and selected the Option 2 policy under How Market Data Is Collected, select Option 2 below.

🞎 *Option 1:* *Use the model plan language shown below. No change to the model plan is needed.*

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. Typically units may be similar, but not exactly like the unit proposed for HCV assistance. Therefore, the PHA may make upward and downward dollar adjustments for differences between the proposed HCV unit and the comparables to determine the reasonable rent for the HCV unit.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference—not its construction costs (e.g., it might cost $20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rental units are presumed to have functioning roofs).

When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of $500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $500 x 11 months = 5500/12 months = actual monthly rent of $488.

🞎 *Option 2: Edit the plan and use the language below.*

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. The PHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, the PHA may make adjustments to the range of prices to account for these differences. The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

The PHA uses a unit-to-unit comparison, by which the rent for a unit proposed for HCV assistance is directly compared to the rents for one or more unassisted units selected as comparables within the same market area. Geocoded maps will be used to identify the non-assisted units in closest proximity to the subject unit, and unit data information will be used to select the most similar units.

In comparing rents, the PHA will take into account critical market factors that impact rent, including the location, quality, size, unit type, and age of the contract unit, as well as any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

Where comparable units differ from the unit proposed for HCV assistance, the PHA will determine whether those differences impact rent. Where they do, the PHA will adjust the rental value of the comparable units, up or down, based on the market value of these factors. The rent for the unit proposed for HCV assistance will be compared to the adjusted rents for the comparable units, enabling a fair, accurate, market-based determination of rent reasonableness.

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom). The adjustment must reflect the rental value of the difference – not its construction costs (e.g., it might cost $20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rents units are presumed to have functioning roofs). When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of $500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $500 x 11 months = 5500/12 months = actual monthly rent of $488.

🞎 *Option 3: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

🗹 **Decision Point: Will the PHA permit the owner to submit market data to support the proposed rent?**

Things to Consider

* Owners have no right to appeal rent reasonableness determinations. But the model plan language permits the owner to submit additional data if the owner believes the PHA’s rent determination is not correct. This practice is not required; but it can be helpful. It may enable the PHA to approve a unit selected by a family and help the PHA add to and refine the PHA’s database.
* To avoid delays in HAP contract execution and rent adjustments, note that the model plan requires the owner to submit any additional data within five business days. This is a departure from the standard 10 business days used throughout the plan.

🞎 *Option 1:* *Use the model language. No change to the model plan is needed.*

The PHA will notify the owner of the rent the PHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. The PHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within five business days of the PHA’s request for information or the owner’s request to submit information.

🞎 *Option 2: Use PHA-established policy. Edit the model language or delete it and insert the PHA’s policy.*

**FINALIZING THE DOCUMENT**

Take a final look at the changes you have made in this chapter of the administrative plan.  
Have you:

(1) Added or subtracted any exhibits at the end of the chapter?  Yes  No.

(2) Added, subtracted or reordered any major sections (at the A, B, or C level?)  Yes  No

If you answered yes to either of these questions, you must adjust the chapter to match your changes.

**☑ Decision Point: Are any changes required to this chapter?**

No. No changes to the model plan are needed.

Yes. Edits only. Edit and insert PHA language as appropriate.

Yes. PHA changed the organization of the chapter. Adjust the chapter to reflect your changes **and** review the rest of the document to make sure that any references to section numbers are correct.

**☑ Decision Point: Are changes required in other chapters as a result of changes to this chapter?**

Check the “Things to Consider” under each decision point to identify if changes to the model plan policy will require changes to policies in other chapters of the plan.

No. Changes to other chapters are not necessary.

Yes. Changes to the following chapters are also required: