

September 28, 2026

The Honorable Joseph Gormley
President, Government National Mortgage Administration
Performing the Delegable Duties of the Assistant Secretary of Housing and Federal Housing
Commissioner

The Honorable Benjamin Hobbs
Assistant Secretary, Office of Public and Indian Housing

U.S. Department of Housing and Urban Development
2415 Eisenhower Ave.
Alexandria, VA 22314

Dear President Gormley and Assistant Secretary Hobbs:

The undersigned national associations represent for-profit and non-profit owners, operators, developers, property managers, housing agencies, lenders and advocacy organizations involved in providing U.S. Department of Housing and Urban Development (HUD)-assisted housing subject to the National Standards for the Physical Inspection of Real Estate, or NSPIRE, protocol. We urge you to extend the compliance date for the new NSPIRE affirmative requirements from October 1, 2026, to October 1, 2027.

While we share the Administration's goals to provide decent, safe and sanitary housing for assisted residents, we request HUD to first follow through on its own requirement to publish updated standards and scoring notices on a three-year cycle. Additionally, given the "3-2-1" timeline of when inspections occur, properties that scored well on their last inspection may be unduly punished by the October 1, 2026, effective date, as they may have not yet had an initial inspection under the new protocol.

As stated in CFR § 5.709 and in the Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate (NSPIRE) final rule published May 11, 2023, all updated Standards and Scoring methodologies will be published through a Federal Register notice at least once every three years with the opportunity for public comment prior to implementation. The three-year notice review cycle allows HUD to be more responsive to evolving industry standards and provide further opportunities for the public to examine proposed changes, provide pertinent comments, and propose changes at regular intervals.

HUD published the final NSPIRE Standards on June 22, 2023, and the Scoring notice on July 7, 2023. NSPIRE implementation went into effect for the public housing portfolio July 2023 and for multifamily housing programs October 2023. HUD Office of Public and Indian Housing (PIH) leadership stated at industry conferences this spring that the Standards were expected in April 2026 for comment followed by publication in June 2026 to be effective by October 2026.

After that time period passed and HUD failed to issue the notices, at an industry conference on September 14, 2026, PIH leadership said that the revised standards are still in clearance with the Office of Management and Budget. We appreciate that HUD is publishing a 60-day public comment period on September 29, 2026, for three proposed revisions to the NSPIRE scoring notice, including the compliance date for scoring the new affirmative requirements. However, we are still waiting for HUD to issue the updated Standards notice for public comment.

The new affirmative requirements include Fire Labeled Doors; Electrical—Ground-Fault Circuit Interrupter (GFCI) or Arc Fault Circuit Interrupter (AFCI) outlet or breaker; Guardrail; Heating, Ventilation, and Air Conditioning (HVAC); Interior Lighting; and Minimum Electrical and Lighting. The industry looks forward to commenting on revisions to avoid unintended results. For example, a peep hole in a fire door should not impact efficacy regardless of whether it was installed by the manufacturer or the property staff and should not be reason for a deduction in points.

Additionally, we are concerned that properties that have not yet had an NSPIRE inspection may be unfairly scored. HUD uses the “3–2–1” risk-based approach for public housing and multifamily properties to ensure the regular inspection of all properties while prioritizing properties that require additional oversight. According to this model, properties scoring 90 or higher (High Performers) are inspected once every 3 years; properties scoring 79 to 89 (Standard Performance) are inspected once every 2 years; and properties scoring below 79 (or designated as troubled/substandard) require annual inspections every year.

Upon implementation, NSPIRE was not only presented as a way to align and consolidate inspection standards across HUD programs, but also as an iterative process so that public housing authorities, multifamily owners, inspectors, and HUD staff could adjust to the new changes. However, with the “3-2-1” protocol, some owners designated as high performers have not experienced the new NSPIRE protocol since it became effective July 2023 for public housing and October 2023 for the multifamily housing portfolio. To begin scoring the affirmatives on October 1, 2026, would be unfair to owners whose properties have not yet had the chance to be scored under NSPIRE even given the 60-day public comment period on the scoring notice.

At a recent fall industry conference, PIH leadership also said that HUD is testing the scoring of the affirmative requirements in the new NSPIRE inspection app and would evaluate whether or not to extend the deadline for scoring these items. HUD published the request for proposals on June 29, 2026, and the deadline for submissions was July 10, 2026. Given HUD’s history of difficulties with the NSPIRE software that has been covered in the media and in an August 31, 2026, HUD Office of the Inspector General report, we recommend HUD take the time to properly test and vet its technology to avoid repeating the same mistakes.

Accurate inspection scores provide a reliable measure of the assisted and public housing portfolios and play an important role in supporting federal funding decisions, attracting access to capital while most importantly ensuring the provision of decent, safe and sanitary housing for

residents. We are grateful for HUD's shared commitment to the goal of providing safe and healthy housing. We urge HUD to observe its own stated administrative procedures for inspections and to push back the deadline one year for scoring the new affirmative requirements in NSPIRE.

We welcome the opportunity to further discuss our concerns. Please feel free to contact Marta Juaniza at mjuaniza@hudnlha.com.

Thank you for your consideration.

Sincerely,

Institute of Real Estate Management
National Affordable Housing Management Association
National Association of Home Builders
National Leased Housing Association