

U.S. Department of Housing and Urban Development

1280 Maryland Avenue, SW
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Washington, D.C. 20024-2135



OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

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

FROM: Nelson E. Stephens
Inspector Administration

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

EFFECTIVE DATE: April 15, 2002

Inspector Notice No. 2002-02

Performance Monitoring and Deficiencies:

The Department of Housing and Urban Development (HUD) performs various quality assurance reviews to ensure the accuracy and consistency of inspections. Quality assurance reviews may be conducted at any time, including during the course of a property inspection, following an inspection, or as a separate analysis.

The various quality assurance reviews provide information about an inspector's performance and adherence to the Uniform Physical Condition Standards (UPCS) inspection protocol and code of conduct.

Inspectors who are found to not be in compliance with the UPCS or are found to be "outside of standard" as a result of the quality assurance reviews may be subject to administrative action.

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

- Inspectors must exercise due diligence in completing and verifying an accurate property profile.
 - Inspectors must download the inspection prior to arriving at the property.
 - Inspectors must visually verify the property profile.
 - Inspectors must use a rent roll or other all-inclusive list to determine units for inspection and to record property occupancy.
 - A property representative must accompany the inspector when verifying the property profile.

- o Inspectors must accurately record the property profile in the data collection device (DCD).
- o Inspectors must only generate the sample after they have verified the property profile and rent roll on site.
- Inspectors must conduct the inspection in strict accordance with the UPCS inspection protocol.
 - o Inspectors must be accompanied by, and be in view of, a property representative throughout the entire inspection. If a property representative leaves an inspector alone, the inspector must wait for the representative to return before resuming the inspection.
 - o Inspectors must inspect all five inspectable areas (Site, Building Exteriors, Building Systems, Common Areas, and Dwelling Units).
 - o Inspectors must inspect all appropriate buildings and units as directed by the sample.
 - o Inspectors must properly identify and record all observations (Not Applicable, No Observed Deficiency, and Observable Deficiency).
 - o Inspectors must properly categorize all deficiencies (Level 1, Level 2, and Level 3).
- Inspectors must accurately record all health and safety defects and leave a copy of the Exigent Health & Safety (E H & S) report (if applicable) with the property representative.
- Inspectors must use the most current version of the DCD software, and be proficient in the use of the software.

An inspector may be found to not be in compliance for failing to adhere to the UPCS Inspector Code of Conduct. Inspectors must:

- Maintain professional conduct and demeanor at all times during the inspection and interaction with the inspection participants.
- Display the HUD-issued photo identification card during the inspection.
- Defer questions from the residents regarding the property to the property representative.
- Not make promises or representations that items will be repaired based on inspection results.
- Not offer an opinion as to the quality of the property.
- Not invade a resident's privacy by attempting to open a closed door in their residence. Defer to the property representative.
- Not use any inspection property's facilities, a multifamily property owner's office, a housing agency office, or a HUD field office, to conduct personal business.
- Not disclose any information to a third party about the inspection results. Defer to the property owner or representative.

Administrative Action:

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

When an inspector accumulates three Performance Deficiencies, the inspector will be de-certified. De-certified inspectors may not conduct UPCS inspections on behalf of HUD, will be denied access to the HUD inspection systems, and must return the HUD issued ID card. In order to be re-certified, a de-certified inspector must reapply for and successfully complete the certification

training and testing.

One Performance Deficiency will be removed from an inspector's current status for each 30 subsequent, consecutive inspections that the inspector completes that are accepted by HUD without a Performance Deficiency. Below is an example of how Performance Deficiencies reflect an Inspector's current status:

#	Inspector Action	Change to Status	Current Status
1	Out of Standard QA Review	+ one deficiency	1
2	Code of Conduct noncompliance	+ one deficiency	2
3	30 acceptable inspections	- one deficiency	1
4	Rejected Inspection	+ one deficiency	2
5	Out of Standard QA Review	+ one deficiency	<u>3</u>

The Inspector and all contractors and servicing mortgagees with whom the inspector has an affiliation will be notified of each Performance Deficiency and de-certification.

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

- Carrying a firearm or weapon onto a property
- Theft or intentional property damage
- Fraudulent activity
- Threatened or actual violence against a person while conducting an inspection

In all such cases, Inspector Administration will refer the case to the Office of Inspector General or the Enforcement Center for action.

Please sign and return the attached form confirming that you have received and read these business rules. Inspectors who have not returned a signed copy of the form by April 15, 2002, will not be able to download inspections until a signed copy is received. The signed copy must be mailed to Inspector Administration at the following address, or faxed to (202) 401-4565.

Mail forms to: HUD/REAC

Attn: Inspector Administration
1280 Maryland Ave, S.W., Suite 800
Washington, DC 20410

Upon receipt of this signed form, your name will be placed on HUD's national Inspector Administration mailing list. It is the responsibility of each Inspector to routinely monitor the Inspector Administration website for updates to Inspector Administration, including inspection program, notices, training or other requirements. The website address is <http://www.hud.gov/offices/reac/products/pass/inspectors.cfm>.

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Office of Public and Indian Housing
Real Estate Assessment Center*

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Business Rules – Inspector Performance Monitoring

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Please sign below to confirm that you have read and understand the above-referenced business rules and provide your current e-mail address.

I have read and understand the above-referenced business rules.

Inspector ID Number

Inspector Name (Please Print)

Inspector Signature

Date

Inspector E-Mail Address