



Kansas Housing Conference
(REAC Inspections: What to expect.)
August 9-11, 2011

Remember these general rules:

RULE NUMBER 1:

REAC does not make policy.

RULE NUMBER 2:

The REAC inspection is **NOT** a code inspection.

RULE NUMBER 3:

If an inspectable item exist on your property – It must function as designed or it will be cited as a deficiency.

-How do I properly prepare for a REAC inspection?

Use the public version of the 2.3 software that can found and downloaded at.....



Homes & Communities

U.S. Department of Housing and Urban Development

Real Estate Assessment Center

About REAC

Business area products

- Physical inspection
- Financial Assessment - Multifamily
- Financial Assessment - Public Housing Agencies
- Quality assurance operations
- Customer Satisfaction Survey
- Management operations certification
- PHAS - Public Housing Assessment System
- Subsidy and Grants Information Systems

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Physical Inspection

Nearly 4 million American families live in rental housing that is owned, insured or subsidized by HUD. To ensure that these families have housing that is decent, safe, sanitary and in good repair, REAC conducts approximately 20,000 physical inspections on properties each year.

- [Information by State](#)
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Highlights

- Auction 40** - which was tentatively planned for **SATURDAY, September 29, 2007** has been postponed. This auction was to include approximately 100 properties from the New York City Housing Authority.
- UPCS Inspection software**, PASS Version 2.3, is **NOT** compatible with the new **Microsoft Windows VISTA** Operating System. The software will continue to operate with Microsoft Windows XP. - March 8, 2007
- Over the past several months**, REAC has received questions from PHAs asking whether the upcoming REAC PASS physical inspections will be conducted based on a PHA's Annual Contribution Contracts (ACC) developments ([More](#)) - March 5, 2007
- Inspection Training (for non-inspectors)** Interested in learning all about the REAC inspection process? [Learn more about our 3 day classes!](#)
- PDF Reports in Schedule/View Inspections - Issue Resolved:** As of **May 1, 2006**, the technical issue that prevented access to Inspection Summary Reports and Investor Reports via the "Schedule/View Inspections" link in Secure Systems has been resolved. Please contact the Technical Assistance Center (TAC) at 1-888-245-4860 if further assistance is required.
- PIH-REAC** will no longer provide service to inspectors experiencing a corrupted DCD database due to associated risks to HUD's systems.

Want More Information?

- [Exigent Health & Safety, EH&S](#)
- [Inspector Administration](#)
- [Inspector Assessment Form Information](#)
- [Servicing Mortgagee](#)
 - [Service Mortgagee FAQ's](#)
- [Quality Assurance/ Quality Control](#)
- [Reverse Auction Program](#)
- [Technical Reviews and Database Adjustments](#)
- [Training](#)
- [Inspector Source](#)

Helpful Tools

- [Federal Regulations](#)
- [REAC PASS Compilation Bulletin](#)
- [Software](#)
- [Inspector Notices and User Guides](#)

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Working with HUD

Resources

Tools



Physical Inspection Training Materials

These materials have been used at various industry meetings around the country and are provided for your convenience.

- [Information by State](#)
- [Print version](#)
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Presentations from the "AHMA East Texas Housing" Symposium and Workshop

*(*For faster access, right 'Click' and select 'Save Target As' to download the PowerPoint files below)*

- [AHMA East Texas Housing Symposium - April 13, 2007](#) (MS-PPT, 3 MB)
- [AHMA East Texas Workshop - March 15, 2007](#) (MS-PPT, 3 MB)

Presentation from the "Carolinas Council of Housing Redevelopment & Codes Officials" Winter Workshop

- [CCHRCO Winter Workshop - February 12, 2007](#) (MS-PPT, 2 MB)

Top 20 Deficiencies

- [Top 20 Deficiencies](#)

Training Photos used in the UPCS Certification Classes

*(*For faster access, right 'Click' and select 'Save Target As' to download the PowerPoint files below)*

- [Site](#) (MS-PPT, 16 MB)
- [Building Exterior](#) (MS-PPT, 11 MB)
- [Building Systems](#) (MS-PPT, 5 MB)
- [Common Areas](#) (MS-PPT, 3 MB)
- [Unit](#) (MS-PPT, 16 MB)
- [Health and Safety](#) (MS-PPT, 8 MB)

Public Version of the UPCS Inspection Software known as DCD 2.3a

- [DCD 2.3a Public Version](#)

Uniform Physical Condition Standards comprehensive listing all of the Inspectable Areas, Items, and Deficiencies

- [UPCS Comprehensive Listing](#) (MS-Excel, 115 KB)
- [UPCS Comprehensive Listing](#)

Contact the UPCS Inspection Training Coordinators at: reacpasstraining@hud.gov if you have any questions about Inspection Training.

Content updated April 24, 2007

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Or

You can use the comprehensive listing of deficiencies which can be found and printed at.....

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HUD news

Homes

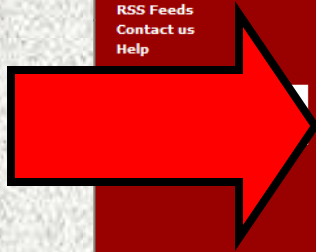
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- Mailing lists
- RSS Feeds
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- Help



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Uniform Physical Condition Standards - Comprehensive Listing

Page: _____ of _____

Inspectable Area: Building Exterior

Property ID / Name: _____

Inspection Date: _____

Building Number: _____

Inspectable Item	Observable Deficiency	NOD	Level			NA	H&S
			1	2	3		
Doors	Damaged Frames/Threshold/Lintels/Trim						NLT
	Damaged Hardware/Locks						
	Damaged Surface (Holes/Paint/Rusting/Glass)						
	Damaged/Missing Screen/Storm/Security Door						NLT
	Deteriorated/Missing Caulking/Seals						
	Missing Door						
Fire Escapes	Blocked Egress/Ladders						LT
	Visibly Missing Components						LT
Foundations	Cracks/Gaps						
	Spalling/Exposed Rebar						
Health and Safety	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical Equipment						LT
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable						LT
	Emergency Fire Exits - Missing Exit Signs						NLT
	Flammable/Combustible Materials - Improperly Stored						NLT
	Garbage and Debris - Outdoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
Infestation - Rats/Mice/Vermin						NLT	

Lighting	Broken Fixtures/Bulbs						
Roofs	Damaged Soffits/Fascia						
	Damaged Vents						
	Damaged/Clogged Drains						
	Damaged/Torn Membrane/Missing Ballast						
	Missing/Damaged Components from Downspout/Gutter						
	Missing/Damaged Shingles						
	Ponding						
Walls	Cracks/Gaps						
	Damaged Chimneys						NLT
	Missing/Damaged Caulking/Mortar						
	Missing Pieces/Holes/Spalling						
	Stained/Peeling/Needs Paint						
Windows	Broken/Missing/Cracked Panes						NLT
	Damaged Sills/Frames/Lintels/Trim						
	Damaged/Missing Screens						
	Missing/Deteriorated Caulking/Seals/Glazing Compound						
	Peeling/Needs Paint						
	Security Bars Prevent Egress						LT

- In order to accurately categorize a deficiency as a "Level 1", "Level 2" or "Level 3" (including independent Health & Safety items), you must refer to the Final Dictionary of Deficiency Definitions (PASS) Version 2.3, dated 03/08/2000. This document can be found at "http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf" (325 Pages, 343 KB)
- Additional clarification to these definitions is contained in the REAC PASS Compilation Bulletin which can be found at "http://www.hud.gov/offices/reac/pdf/pass_bulletin.pdf" (24 Pages, 275 KB)
- Only level 3 is applied to independent Health & Safety deficiencies.
- In the H&S column, NLT is a "Non-Life Threatening" Health & Safety concern whereas LT is a "Life Threatening" concern which calls for immediate attention or remedy and will show up on the Exigent Health and Safety Report at the end of an inspection.

-Where should I focus my resources?

Start with the 25 most frequently cited deficiencies and any EH&S issues.



The 25 most cited deficiencies:

#	Area	Inspectable Item	Inspectable Defect	#Defects	# Per Insp:
1	Unit	Doors	Damaged Hardware/Locks**	118,162	2.61
2	Unit	Kitchen	Refrigerator - Missing/Damaged/Inoperable	79,770	1.76
3	Unit	Doors	Damaged Surface - Holes/Paint/Rusting/Glass**	43,992	.97
4	Unit	Bathroom	Lavatory Sink - Damaged/Missing**	43,961	.97
5	Unit	Kitchen	Range/Stove - Missing/Damaged/Inoperable**	42,014	.93
6	Unit	Walls	Damaged**	40,132	.89
7	Bldg. Ext.	Walls	Stained/Peeling/Needs Paint	37,903	.84
8	Bldg. Ext.	Walls	Missing Pieces/Holes/Spalling**	37,757	.83
9	Unit	Walls	Peeling/Needs Paint**	36,380	.80
10	Unit	Windows	Inoperable/Not Lockable**	36,216	.80
11	Unit	Windows	Missing/Deteriorated Caulking/Seals/Glazing Compound**	32,616	.72
12	Bldg. Ext.	Roofs	Missing/Damaged Components from Downspout/Gutter**	31,185	.69
13	Unit	Smoke Detector	Missing/Inoperable**	31,063	.69

Deficiencies (continued)

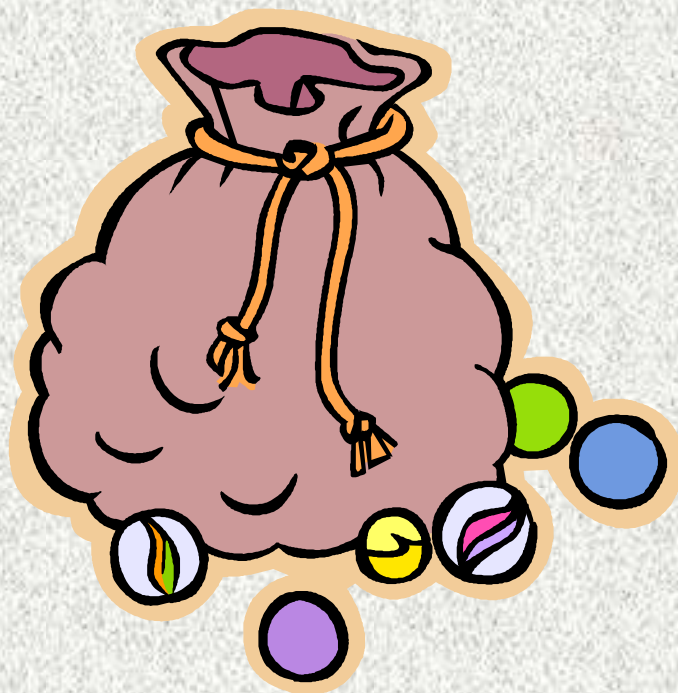
14	Unit	Outlets/Switches	Missing/Broken Cover Plates	30,494	.67
15	Health & Safety	Hazards	Tripping	29,704	.66
16	Unit	Bathroom	Plumbing - Leaking Faucet/Pipes	24,855	.55
17	Unit	Call-for-Aid	Inoperable	24,426	.54
18	Unit	Electrical System	GFI - Inoperable	23,975	.53
19	Unit	Doors	Damaged/Missing Screen/Storm/Security Door**	23,819	.53
20	Unit	Ceiling	Peeling/Needs Paint**	23,215	.51
21	Health & Safety	Emergency/Fire Exits	Emergency/Fire Exits Blocked/Unusable	22,855	.50
22	Unit	Bathroom	Shower/Tub - Damaged/Missing**	21,673	.48
23	Health & Safety	Infestation	Insects	21,578	.48
24	Unit	Doors	Missing Door	20,993	.46
25	Building Exterior	Windows	Damaged/Missing Screens**	20,018	.44

Be observant of the life-threatening health and safety hazards:

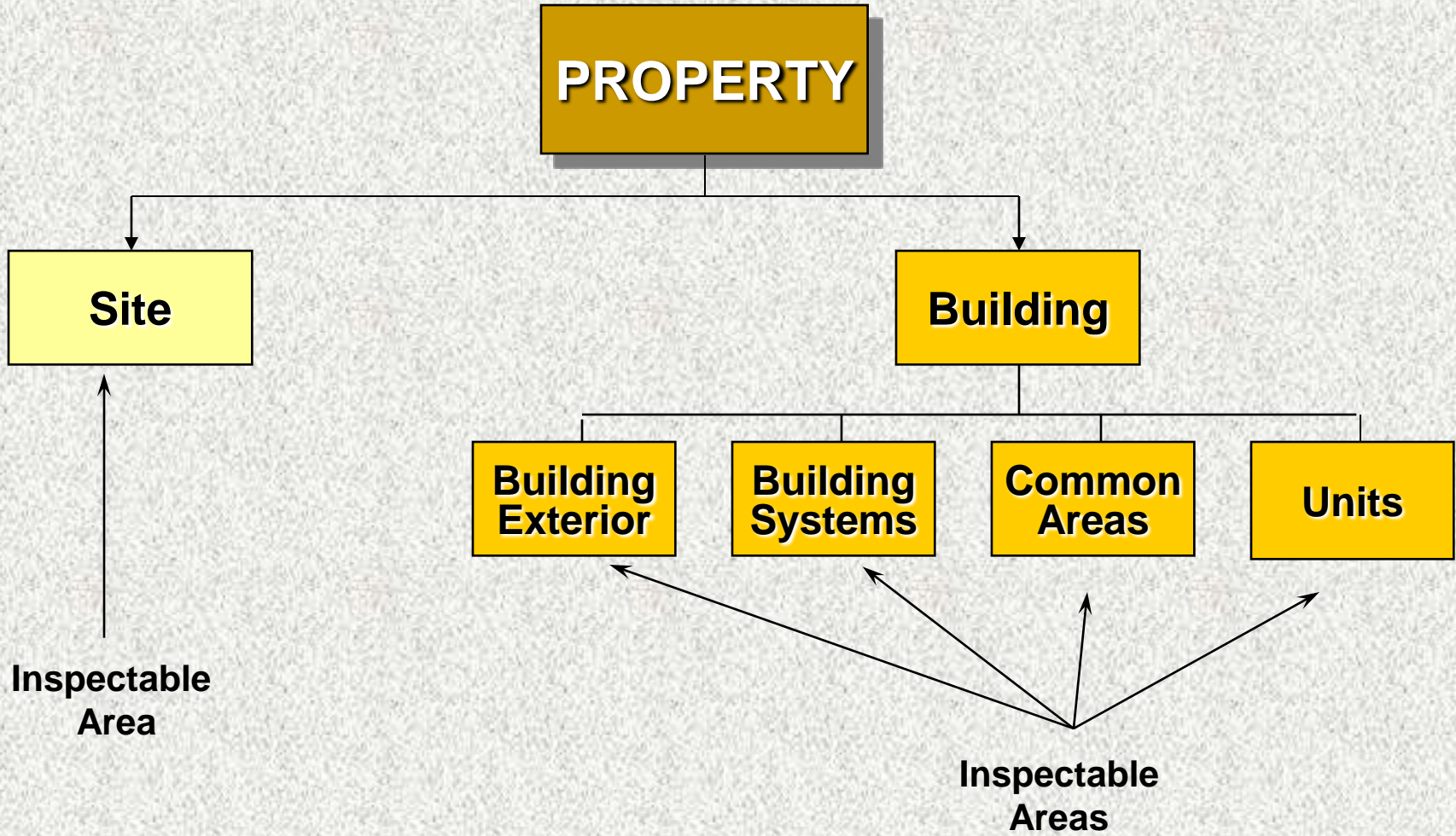
- A. Propane, natural, or methane gas
- B. Exposed wires or open electrical panels
- C. Water leaks on or near electrical equipment
- D. Blocked or unusable emergency or fire exits
- E. Blocked fire escapes or ladders
- F. Missing or misaligned chimney for gas-fired water heater/HVAC
- G. Window security bars preventing exit
- H. Expired fire extinguishers
- I. Inoperative/missing smoke detectors



RECORDING DEFICIENCIES



PHYSICAL INSPECTION STRUCTURE

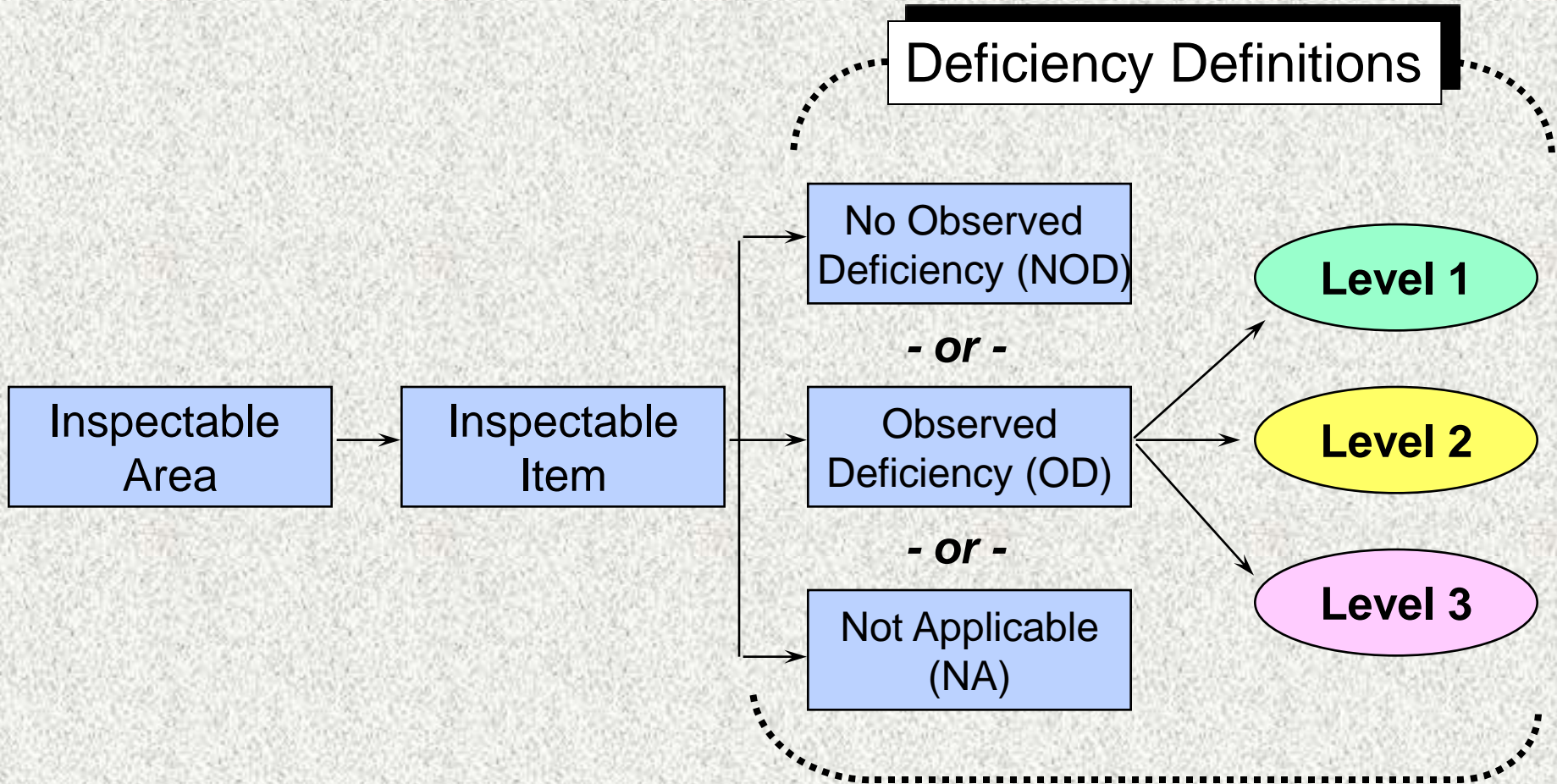


PHYSICAL INSPECTION STRUCTURE

INSPECTABLE ITEMS



UPCS SOFTWARE CONFIGURATION

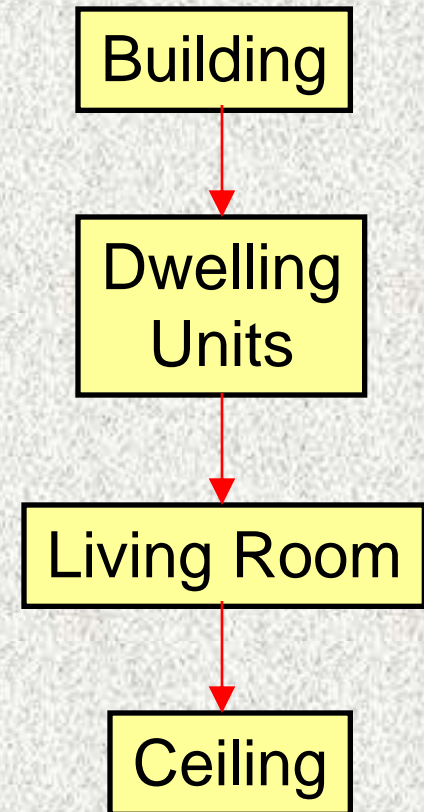


Dwelling Units

LEVEL 2



Holes/Missing Tiles/Panels





Property Information

Building / Unit Information

Property Inspectable Items

Check / Prepare / Import

Site

Building

1 - 45

Exterior

Systems

Common Areas

Unit

100

Unit

Building 1 - Unit 100

	Inspectable Item	NOD	OD	NA
<input type="checkbox"/>	Bathroom	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Call-for-Aid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Ceiling	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Doors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Electrical System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Floors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Building 1 - Unit 100: Health and Safety

	Inspectable Item	OD
<input type="checkbox"/>	Air Quality	<input type="checkbox"/>
<input type="checkbox"/>	Electrical Hazards	<input type="checkbox"/>
<input type="checkbox"/>	Emergency/Fire Exits	<input type="checkbox"/>

Item Definition

Tools



Help

Exit

Property Information

Building / Unit Information

Property Inspectable Items

Check / Prepare / Import



Building 1 - Unit 104 ScotLan: Ceiling

	Inspectable Defect	L1	L2	L3
▶	Bulging/Buckling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Holes/Missing Tiles/Panels**	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Peeling/Needs Paint**	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Water Stains/Water Damage/Mold/Mildew**	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Page Up

Page Down

Defect Definition



Help

Close Form

Save

Clear All

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Help Topics

Back

Options

Close

****Holes/Missing Tiles/Panels/Cracks (Ceiling)****Deficiency:**

- The ceiling surface has punctures that may or may not penetrate completely.
- -OR-
- Panels or tiles are missing or damaged.

Level of Deficiency:

Level 1: You see small holes that are no larger than a sheet of paper--8½ inches by 11 inches.

-OR-

No hole penetrates the area above.

-OR-

You see that no more than 3 tiles or panels are missing.

Level 2: You see a hole that is larger than a sheet of paper--8½ inches by 11 inches--but it does not penetrate the area above.
(You cannot see through it.)

-OR-

You see that more than 3 tiles or panels are missing.

-OR-

You see a crack more than 1/8 inch wide and 11 inches long.

Level 3: You see a hole that penetrates the area above; you can see through it.

Comments

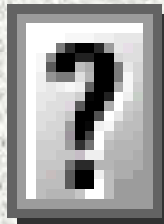
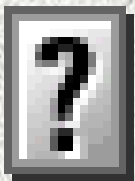
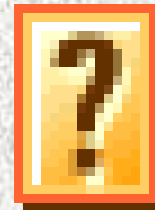
Level 3: If a hole is a health and safety concern, you must record it manually in "Health and Safety: Hazards."

For More Information

www.hud.gov/react

1-888-245-4860

react@hud.gov



Any Questions?



Email: terry.holcombe@hud.gov



The Goal

Assign a *score* to the overall *property condition* based on the *data* collected by the inspector

- Measure physical condition
- Objective & consistent
- Accommodates all property types & configurations

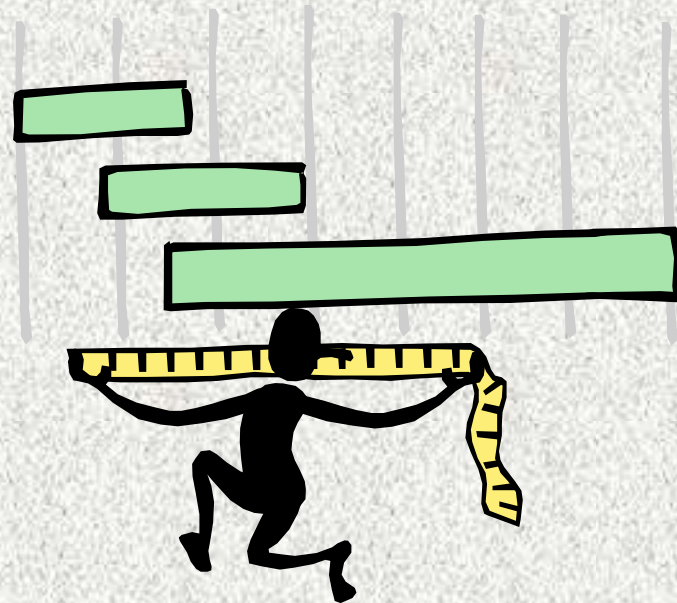
Scoring is Based on Objective Data

The inspector records the *existence* and the *severity* of deficiencies according to preset criteria



The Scoring Approach

- Relative importance (“weights”) were assigned to each physical area, item, and deficiency in the inspection protocol
- HUD applies the weights to the inspection data to compute the score
- The score is based on a 100 point scale



Site

- Fencing and Retaining Walls
- Grounds
- Lighting
- Mailbox
- Mail
- Parking Roads
- Play Area Equipment
- Refuse Disposal
- Storm Drainage
- Walkways/Steps

15%

Building Exterior

- Doors
- Fire Escapes
- Fire Extinguishers
- Windows

15%

Building Systems

- Domestic Water
- Electrical System
- Elevators
- Enclaves
- Exhaust
- Fire Alarm
- HVAC
- Sanitary System

20%

Dwelling Units

- Bathroom
- Call-for-Aid
- Ceiling
- Doors
- Electrical System
- Floors
- Hot Water
- Lighting
- Outlets
- Patio/Porch/Balcony
- Smoke Detector
- Stairs
- Walls
- Windows

35%

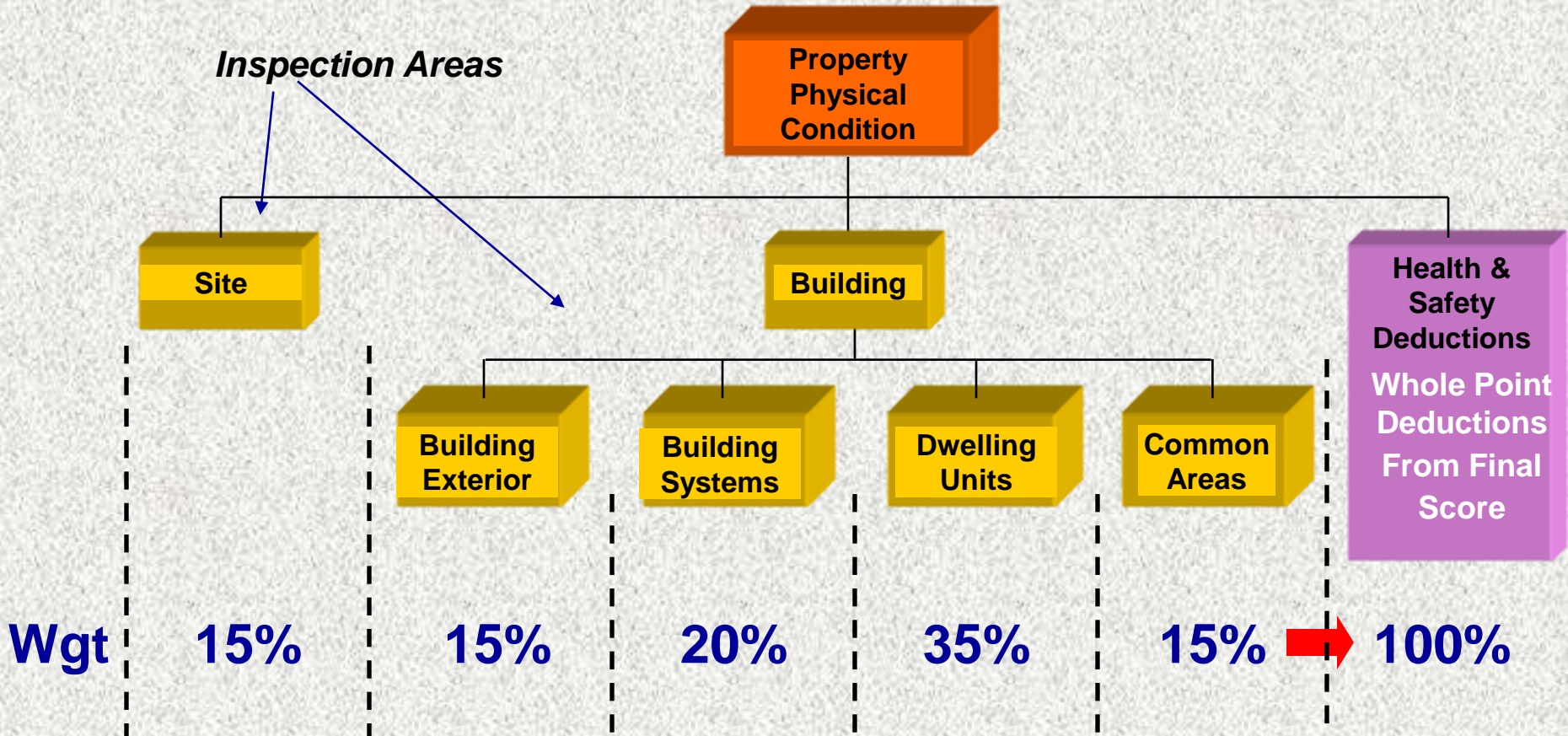
Common Areas

- Basement/Garage/Carport
- Office
- Closet/Utility/Mechanical
- Other Community Spaces
- Community Room
- Patio/Porch/Balcony
- Day Care
- Pool
- Structural
- Halls/Corridors
- Restroom/Toilet Structures
- Kitchen
- Storage
- Laundry Room
- Trash Collection Areas
- Lobby

15%

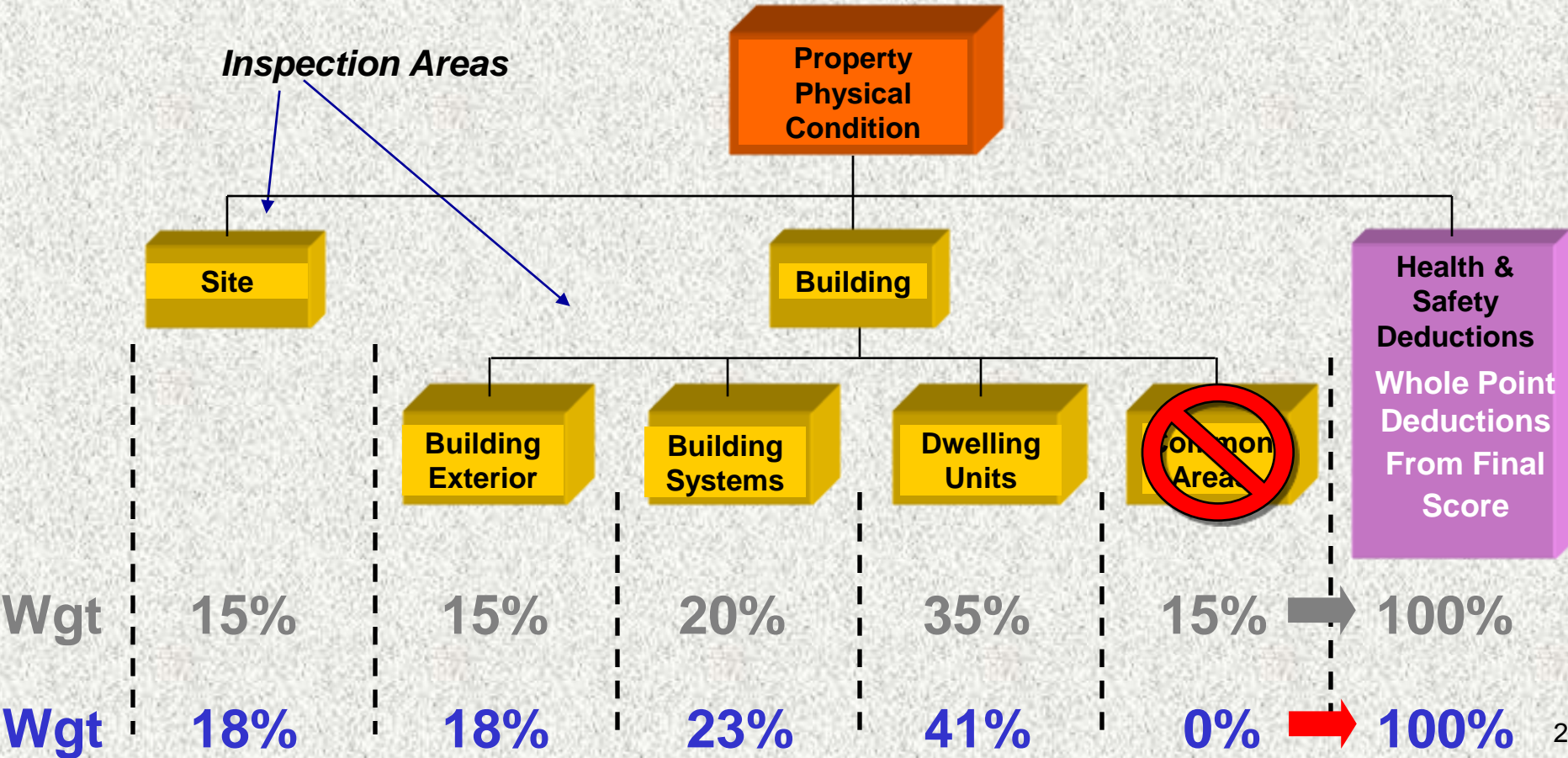
AREAS & ITEMS

Scoring Dynamics



No Two Properties Are Alike

(For example, if there are no Common Areas on a property, the other inspection areas become more important)



- How do I appeal a finding, and what kinds of documentation do I need to back up my appeal?



Technical Reviews

You can appeal a physical score if you believe the inspection was not conducted in accordance with the Public and Indian Housing Real Estate Assessment Center (PIH-REAC) Uniform Physical Condition Standards (UPCS) inspection protocol or feel that certain inspection data may have been recorded in error that, if corrected, will result in an improvement in the property's overall score

What qualifies for a Technical Review?

- Building Data Errors
- Unit Count Errors
- Non-Existent Deficiency Errors

What does **NOT** qualify for a Technical Review?

- Disagreements over the severity of a defect
- Deficiencies that were repaired or corrected



Technical Reviews (Continued)

Timeline for submittal:

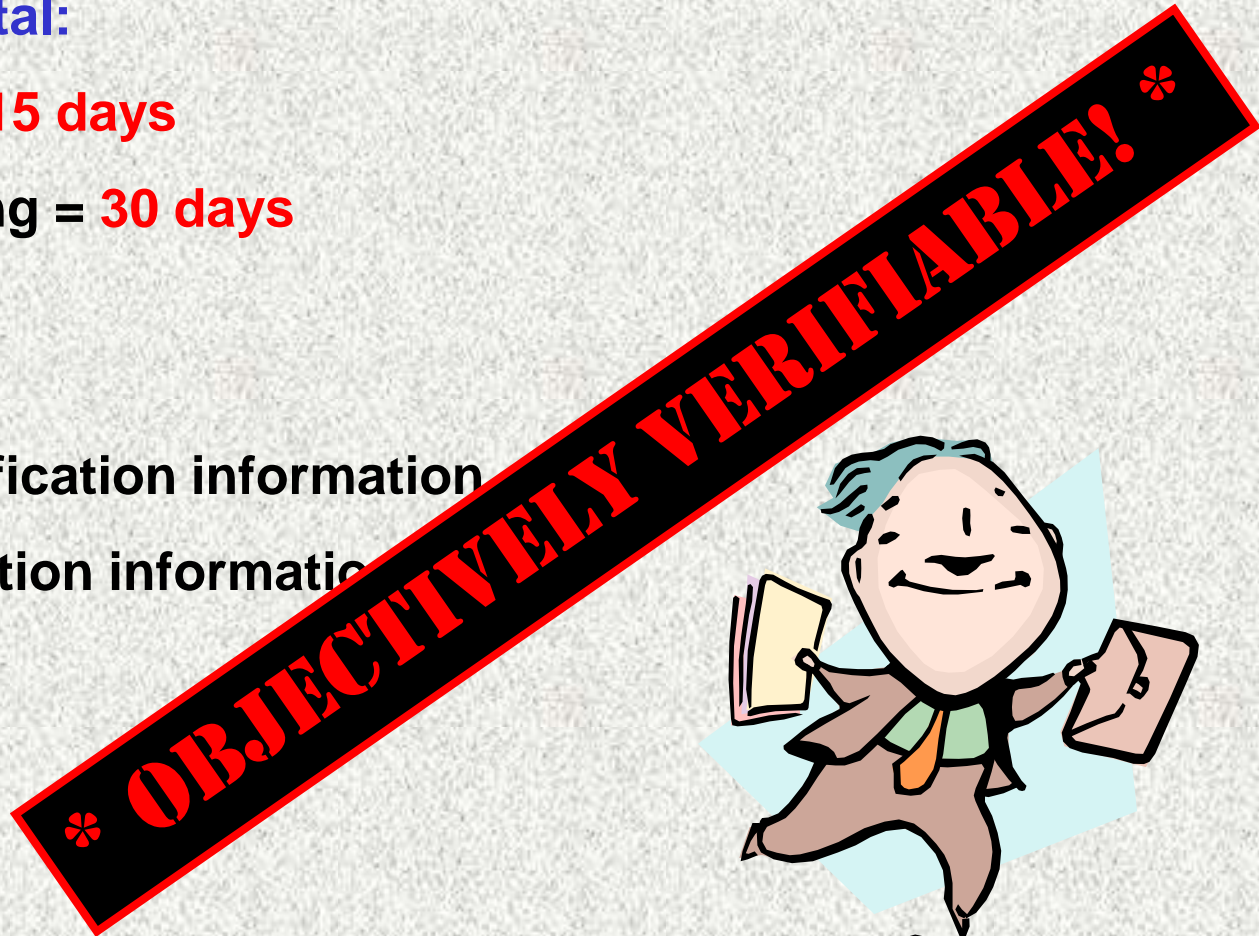
- Public Housing = **15 days**
- Multifamily Housing = **30 days**

What to include:

- All property identification information
- All deficiency location information

How to document:

- Written Material
- Photographs
- Video



Technical Reviews (Continued)

Where to send your request:

**Attn: PASS Technical Reviews
HUD/PIH/REAC
550 12th Street SW, Suite 100
Washington, DC 20410**

What can happen:

- Request Denied
- New Inspection Scheduled
- Correct the Inspection Report (Adjust score)



Database Adjustments

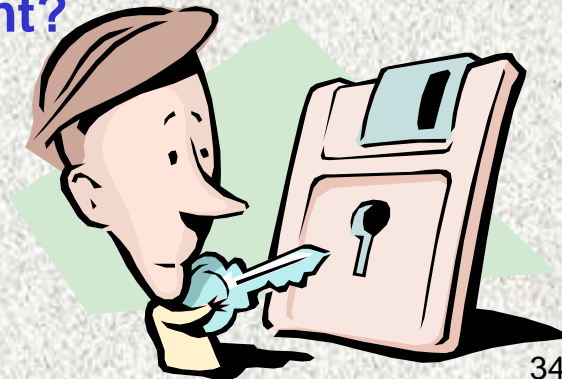
You can request a database adjustment for the following reasons:

What qualifies for a Database Adjustment?

- Local conditions and exceptions
- Ownership issues
- Adverse conditions beyond the owner's control
- Modernization work in progress

What does **NOT** qualify for a Database Adjustment?

- Deficiencies that were repaired or corrected
- Deficiencies caused by residents
- Items covered by the Technical Review process



Database Adjustments (Continued)

Timeline for submittal:

- Public Housing = **15 days**
- Multifamily Housing = **45 days**

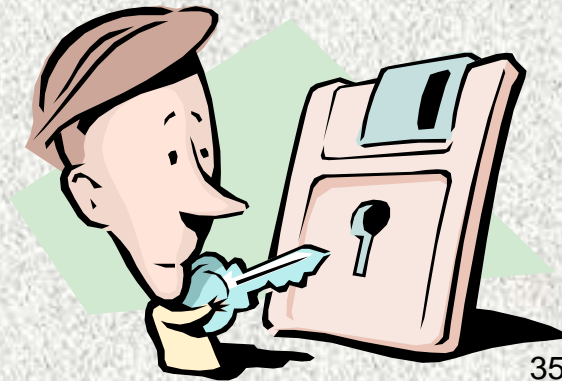
What to include:

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How to document:

- Written Material
- Photographs
- Video

*** OBJECTIVELY VERIFIABLE! ***



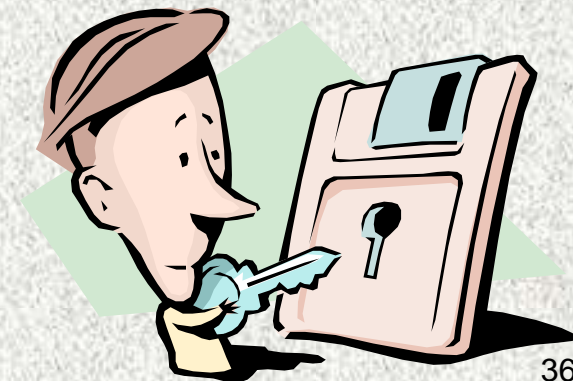
Database Adjustments (Continued)

Where to send your request:

**Attn: PASS Database Adjustments
HUD/PIH/REAC
550 12th Street SW, Suite 100
Washington, DC 20410**

What can happen:

- Request Denied
- New Inspection Scheduled
- Correct the Inspection Report (Adjust score)



For both **technical reviews** and **data base adjustments** remember to supply as much supporting documentation as possible. I.e. photos, deeds, certified letters of ownership, etc.