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OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

Inspector Notice No. 2016-03

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

FROM: James E. Cunningham, Public and Indian Housing Real Estate Assessment Center (REAC) Inspector Administration (IA)

SUBJECT: Uniform Physical Condition Standards (UPCS) Deficiencies and Industry Standard Repairs

DATE ISSUED: July 11, 2016

EFFECTIVE DATE: For All Inspections Conducted on or After August 1, 2016

This notice provides clarification concerning inspection procedures to be followed by all Uniform Physical Condition Standards (UPCS) inspectors who conduct physical inspections of HUD assisted and insured properties. The inspection procedures are applicable to all properties that are subject to UPCS physical inspections.

Background

For the past several months our Quality Assurance Inspectors have noticed a growing trend of non-industry standard inferior repairs in preparation for a REAC inspection at some properties. This trend may be the result of decisions to embrace the practice of minimal inferior repairs in order to pass the REAC inspection. Such a practice eventually leads to diminished living conditions because of repairs that do not meet the "Industry Standard" for being a reasonable and/or an appropriate repair (e.g. plywood covering a hole in a drywall wall or ceiling).

Standard

All repairs to address UPCS deficiencies in preparation for a REAC inspection shall be made in a good and workmanlike manner with materials that are suitable for the purpose and free from defects. The phrase "good and workmanlike manner" means:

- a. Ensuring that the component, as repaired, performs its intended function/purpose; and

- b. Finishing the repair in a manner reasonably compatible with design and quality of the original and adjoining decorative materials.

Clarifying Guidance

Each repair is made in accordance with the industry standard for the particular inspectable item (e.g., a hole in the drywall is repaired using the same or equivalent materials, materials have the same texture, minimal deviation from and/or have an indistinguishable difference from the original esthetics/appearance.) A deficiency will be recorded for each sub-standard repair made to avoid or disguise an observed deficiency based on the size of the area affected and/or the item inspected.

For example, inspectors will examine a piece of plywood covering a hole in the drywall to determine, among other things, if it is larger than 8 ½" x 11" (a sheet of paper). This means that:

- a. A 6" x 6" piece of plywood that is not of like material to cover a hole will be recorded as a Level 1(L1) deficiency;
- b. A 2' x 2' piece of plywood will be recorded as a Level 2 (L2) deficiency; however,
- c. A piece of plywood, regardless of size, that covers up a hole that completely penetrates the wall will be recorded as a Level 3 (L3) deficiency.

The following is a partial list of typical inspectable items that are often incorrectly repaired:

- a. Cracks in Brick Wall. Tuck-pointed using mortar is the correct means of repair; caulking is not appropriate.
- b. Drywall Repair. Sheetrock with mud and/or tape is the correct means of repair. Simply covering hole or damaged drywall with plywood/laminate is not correct.
- c. Wooden Door Repair. Wood or wood veneer is the correct material for repair. Sheetrock mud or plywood is not correct.
- d. Downspouts. Same materials, shape and design are correct. Plastic or PVC piping is not correct.

- e. Erosion. Correcting the root cause of the erosion is the correct means of repair, for example, correct or repair the drainage or add fill-soil. Simply hiding or covering the erosion with mulch or straw is not correct.
- f. Electrical Panels. Installing a correct panel cover or using manufactured blanks is the correct means of repair. Using caulking or expandable spray foam to fill gaps is not correct.
- g. Refrigerator Gasket. Replacing the gasket is the correct means of repair. Using white electrical tape, fingernail polish, white-out, etc., is not correct.
- h. Stick to Hold up a Window. Repairing or replacing the original lock is the correct means of repair. Placing a stick in the window as the primary means of securing a window or sliding door is not correct.

Administration

Inspectors will record a deficiency for inspectable items in which non-industry standard repairs are observed that are intended to disguise a UPCS deficiency.

Property representatives may use the Technical Review/Database Adjustment process to appeal deficiencies cited in which non-industry standard repairs were made if the property's management believes a deficiency should not have been recorded.

The appeal process is the same as appealing any other item and requires the property representative to present appropriate documents that support the repair meets industry standards. Such appeal documents/information must contain both the supporting industry standard documents, as well as a written justification by a third-party subject matter expert for the particular deficiency type being appealed.

Should you have any questions about this notice, please contact the REAC TAC at 1-888-245-4860 or at reac_tac@hud.gov

