

KHC's NSPIRE Adaptation in the HOPWA Program: Guidance for HOPWA Project Sponsors

Effective Date: February 2, 2026

1. Purpose

Effective February 2, 2026, Kentucky Housing Corporation's (KHC) Housing Opportunities for Persons With AIDS (HOPWA) program implemented the National Standards for the Physical Inspection of Real Estate (NSPIRE) for applicable HOPWA-assisted units, in accordance with HUD Notice [FR-6469-N-01](#) and the [HOPWA NSPIRE Standards](#).

2. Scope

This guidance applies to all HOPWA Project Sponsors funded by KHC that administer housing assistance.

3. Applicability

NSPIRE requirements apply to all new HOPWA-assisted units receiving assistance beginning February 2, 2026 or later, under the following activities:

- Tenant-Based Rental Assistance (TBRA)*
- Project-Based Rental Assistance (PBRA)
- New construction
- Acquisition, rehabilitation, conversion lease, and repair of facilities to provide housing and services
- Facility Based Operating Costs

*Of these activities, KHC currently funds only TBRA.

NSPIRE requirements do not apply to units assisted solely with:

- Short-Term Rent, Mortgage and Utilities (STRMU)
- Permanent Housing Placement (PHP)
- **Important:** units assisted under STRMU and PHP **must comply** with the NSPIRE carbon monoxide alarm [see Table 4 (p. 26) of [HOPWA NSPIRE Standards](#)] and smoke detector requirements [see Table 48 (p. 354) of [HOPWA NSPIRE Standards](#)], in addition to any state and local codes. Self-certification is permissible for STRMU and PHP-assisted units.

For clients residing in HOPWA-assisted units prior to February 2, 2026, annual inspections of these grandfathered units shall continue to be conducted using [Housing Quality Standards \(HQS\)](#), but **all assisted units must meet NSPIRE carbon monoxide alarm** [see Table 4 (p. 26) of [HOPWA NSPIRE Standards](#)] **and smoke detector requirements** [see Table 48 (p. 354) of [HOPWA NSPIRE Standards](#)]. If a client relocates to a new HOPWA-assisted unit on or after February 2, 2026, the new unit must comply with all NSPIRE requirements.

4. NSPIRE Guidance and Standards

The NSPIRE HOPWA Notice establishes Affirmative Habitability Requirements which represent minimum conditions that must be met for HOPWA housing assistance to be provided. The NSPIRE affirmative requirements for each inspectable area (unit, inside, outside) are defined in [24 CFR § 5.703 \(b\)-\(d\)](#) and are specified in the [HOPWA NSPIRE Standards](#).

Units that fail to meet Affirmative Habitability Requirements shall not pass inspection and are ineligible for HOPWA housing assistance until deficiencies are corrected and verified through reinspection.

Between annual habitability inspections, HOPWA agency staff will ask clients to report on housing conditions during routine interactions, such as case management sessions. If a client reports conditions that may not meet NSPIRE standards, the HOPWA agency will conduct an interim NSPIRE inspection for units subject to NSPIRE requirements. Units occupied by clients prior to the implementation of NSPIRE will be inspected in accordance with [Housing Quality Standards](#).

Virtual inspections are not allowed on initial inspection but may be allowable in the case of a reinspection required to verify corrected deficiencies.

Inspection forms, including an NSPIRE checklist, are available in KHC's [HOPWA Toolkit](#).

Project Sponsors must also comply with all applicable **Lead-Based Paint requirements** under [24 CFR Part 35](#), where applicable.

5. Deficiencies and Corrective Action

The HOPWA NSPIRE Standards establish Health and Safety (deficiency) categories and required timelines for correction. Descriptions of each category, the inspection criteria in each area, and the Affirmative Habitability Requirements applicable to HOPWA are found in [FR-6469-N-01](#) and the [HOPWA NSPIRE Standards](#). All deficiencies must be corrected within the required timeframe for HOPWA assistance to continue or resume.

Level of Deficiency	Required Correction Timeline	Extensions to Timeline Allowed
Low	Within 60 Days	Yes, see below
Moderate	Within 30 Days	Yes, see below
Severe	Within 30 Days	No
Life-Threatening	Within 24 Hours	No

Extensions to NSPIRE correction timelines may be granted **only for Low and Moderate deficiencies that do not violate local housing codes**. Extensions are not permitted for Life-Threatening or Severe deficiencies.

Approval of extension requests is at the discretion of KHC.

Extension Request Process

1. The **landlord** submits a request for an extension to the **Project Sponsor**.
2. The **Project Sponsor** reviews the request for eligibility and completeness.
3. The **Project Sponsor submits a waiver request** through the [Program Funding Draw Management System \(PFDMS\)](#) to KHC.
4. KHC reviews the waiver request and notifies the Project Sponsor of approval or denial.

Required Elements of an Extension (Waiver) Request

All extension requests must include the following information:

- A description of the **NSPIRE deficiencies identified**
- An explanation of **why an extension is necessary**
- The **amount of additional time requested** to correct the deficiencies
- A description of **how the Project Sponsor will ensure deficiencies are fully corrected** by the approved extension deadline

Incomplete waiver requests may be denied.

If deficiencies are **not** corrected within the required timeframe and no approved extension is on file, the Project Sponsor must suspend HOPWA assistance for the affected unit. Retroactive payments shall not be issued. The Project Sponsor must then proceed in accordance with the terms of the lease and Housing Assistance Payment (HAP) contract, including termination of assistance if required.

Following correction of deficiencies, the unit must undergo a reinspection and pass NSPIRE standards prior to reinstatement of HOPWA assistance.

6. Eligible Expenses

Project Sponsors may charge reasonable staff time and costs associated with preparing for, scheduling, conducting, documenting and following up on NSPIRE inspections to the applicable HOPWA housing assistance budget line item (e.g., TBRA), including necessary inspection supplies.

If a unit fails inspection and the client must relocate, Project Sponsors may bill staff time and related costs to Housing Information Services to assist in locating a new unit, and PHP for security deposits or other move-in costs.

Staff time spent confirming the presence and functionality of smoke and carbon monoxide detectors/alarms may be billed to STRMU or PHP, for units assisted with those activities.

Staff time associated with updating policies, procedures, and internal guidance related to NSPIRE implementation may be charged to administrative costs.

9. Policy Review

KHC will review and update this policy as necessary to ensure continued compliance with HUD regulations, NSPIRE requirements, and KHC administrative standards.