

Universal Physical Condition Standards

The Montana Department of Commerce and the HOME Investment Partnerships Program (HOME Program) have replaced the Housing Quality Standards (HQS) inspections with the Uniform Physical Condition Standards (UPCS) in order to ensure continuing compliance with the US Department of Housing and Urban Development (HUD) habitability standards. The UPCS standards ensure HOME-assisted housing is decent, safe, sanitary, and in good repair. All HOME-assisted units must, at a minimum comply with UPCS requirements and all applicable state or local codes and requirements.

HUD created a UPCS form, located at:

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_26481.pdf. This form is required by MDOC for all HOME project UPCS inspections. The form is detailed and requires certified inspectors to take their time in each of the areas which are being inspected. Information on becoming a HUD PIH-REAC certified inspector can be found at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/reac/products/pass/pass_trng.

The UPCS inspection form identifies five (5) areas that are subject to inspection: site, building exterior, building systems, common areas, and dwelling unit. Each of these areas has multiple inspectable items that a certified inspector will inspect.

HUD's Real Estate Assessment Center published the *Dictionary of Deficiency Definitions* (found at: http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf) provides Levels 1, 2, and 3 deficiencies for each of the inspectable areas and items. Grantees are encouraged to review the definitions and descriptions of deficiencies to ensure they are continuing to remain in UPCS compliance throughout the project and the Period of Affordability. New construction and rehabilitation projects that are assisted with HOME funds are required to conduct and pass a UPCS inspection conducted by a certified inspector prior to occupancy. If a unit does not pass inspection the Grantee is required to fix all deficiencies identified during the inspection and then must pass an additional UPCS inspection. Also, if a rehabilitation project requires temporary relocation of HOME-assisted residents the temporary housing is held to UPCS requirements as well.

The HOME Homebuyer Assistance program requires all housing units to pass a UPCS inspection conducted by a certified inspector no earlier than 90 days before the commitment of HOME funds. Properties not closing within 90 days of the date of inspection will need to be re-inspected prior to closing. If the housing unit does not pass the UPCS inspection the deficiencies identified will need to be remediated and then re-inspected prior to HOME funds being committed.

Finally, all HOME-assisted rental units are required to comply with UPCS during their Period of Affordability (POA). A certified inspector will need to conduct a UPCS inspection on all HOME-assisted units annually. If the units do not pass their UPCS inspection the Grantee (or owner) is

required to fix the identified deficiencies within 60 days and provide documentation to the Montana HOME Program that the issues have been resolved and the units are now UPCS compliant.

Useful Resources:

- *Dictionary of Deficiency Definitions* (PDF)
- HUD's UPCS Inspection Form (PDF)
- HUD PIH-REAC UPCS Inspector Certification Information (website)