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MORTGAGE BANKERS ASSOCIATION

June 17, 2024

Mr. Ryan LaFollette  
Acting Deputy Assistant Secretary  
Real Estate Assessment Center  
U.S. Dept. of Housing and Urban Development

Dear Mr. LaFollette:

On behalf of the Mortgage Bankers Association (MBA)<sup>1</sup>, I write to respectfully request that the Department of Housing and Urban Development (HUD) provide written assurance that servicers will not be held accountable for compliance with the new National Standards for the Physical Inspection of Real Estate (NSPIRE) system until it is fully accessible and usable to each participant.

Servicers of Federal Housing Administration (FHA) loans are required to conduct inspections in a timely fashion, and any deficiencies are corrected per the Real Estate Assessment Center (REAC) protocol. However, accessibility issues as well as system bugs that still must be worked through in the new NSPIRE system are preventing these activities.

Since the implementation of NSPIRE in October, servicers have experienced difficulties logging into the system, scheduling inspections, maintaining inspection schedules and reviewing reports. Problems with the software and incorrect data have left a number of servicers unable to access the system. For those inspections that are completed, many servicers are unable to access the reports, with no ability to follow up on any potential necessary repairs.

Servicers are concerned that they will be held accountable for not carrying out these responsibilities on HUD properties, due to a lack of accessibility and data from the HUD-

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<sup>1</sup> The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 275,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 2,000 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: [www.mba.org](http://www.mba.org).

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controlled NSPIRE system. MBA urges HUD to provide a written assurance to the FHA loan servicing community that they will not be held accountable for NSPIRE requirements until the system is fully operational and accessible to each participant. Servicers are doing their best to work with the new system, but NSPIRE problems must be solved to enable servicers to comply with its requirements. We urge you to make this clear through an official notice or memorandum.

We appreciate HUD's attention to this matter, and we look forward to continuing to work with REAC to find solutions to the existing problems with NSPIRE.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Broeksmit', with a stylized flourish at the end.

Robert D. Broeksmit, CMB  
President and Chief Executive Officer  
Mortgage Bankers Association

cc: Jennifer Larson  
Ethan Handelman  
Julia Gordon