



Housing Authority of the City of Augusta, Georgia

1435 Walton Way
Augusta, Georgia 30901-2609
(706) 724-5466
www.augustapha.org

Dear HCV Resident,

The Augusta Housing Authority (AHA) is writing to inform you of upcoming changes to the Housing Choice Voucher (HCV) program under the Housing Opportunity Through Modernization Act (HOTMA) and the National Standards for the Physical Inspection of Real Estate (NSPIRE).

Both HOTMA and NSPIRE will have a major impact on AHA's program operations. **No action is required of you at this time.**

HOTMA Changes

HOTMA affects the HCV rental assistance program and specifically makes changes to income and asset calculations that we must use to determine the amount of rent that your household pays. As a result of those rule changes, many of our processes, procedures and recertification forms will change. This letter explains these changes.

Starting in 2023, the U.S. Department of Housing and Urban Development (HUD) released a series of documents to Public Housing Authorities (PHAs) like AHA, explaining how to implement these new rules. Many of the new rules cannot be implemented until HUD updates its software systems and documents. A few changes, however, will be effective as of July 1, 2025.

HUD Enforcement Beginning July 1, 2025

1. Income Exclusions – Regulation: 24 CFR 5.609(b)

For all income examinations with an effective date on or after July 1, 2025, PHAs must utilize the list of income exclusions referenced in 24 CFR 5.609(b). (See Appendix A.)

2. Definitions – Regulation: 24 CFR 5.100, 5.403, 5.603

For all transactions with an effective date on or after July 1, 2025, PHAs must use the definitions listed in (See Appendix B.)

3. De Minimis Errors - Regulation: 24 CFR 5.609(c)(4); 882.515(f); 882.808(i)(5); 960.257(f); and 982.516(f)

This relates to the allowable margin of error regarding AHA's calculation of your income. De minimis errors occur when a PHA makes a determination of the family's income that differs from the correct income by NO MORE THAN \$30.00 per month in adjusted income (or \$360.00 per year). HUD will not issue a finding to the AHA for errors that are De Minimis Errors.

- If a family was **overcharged** due to an error, PHAs must repay or credit the family

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retroactive to the effective date of the action the error was made regardless of the dollar amount associated with the error. Families will not be required to enter a repayment agreement if they are undercharged due to a AHA error.

- If a family is **undercharged** due to AHA error, the error will be corrected moving forward and the family will not be required to repay the PHA. If the difference is larger than \$30 and it was due to family error, the family will be required to enter a repayment agreement with the AHA. These HOTMA changes are designed to ensure that families are receiving the appropriate subsidy amount based on their income, assets and expenses. Under the HCV program, families are required to periodically reexamine. These new rules should make the process easier to complete – both for owners and residents – by decreasing the amount of paperwork necessary to process reexaminations.

Additional HOTMA provisions will be enacted at a later date and you will receive additional notification once we are able to fully implement the new federal requirements. The highlights of the future HOTMA changes are summarized below.

New Procedures for Annual and Interim Re-Certifications

Under HOTMA rules, your household is required to participate in an Annual Reexamination to evaluate your income, assets and expenses to adjust your monthly rent. If the composition of your household or financial circumstances change, you are required to report those changes to us so that we can determine if an Interim Reexamination needs to be conducted before your next Annual Reexamination. **Those are the changes that are most likely to affect you. Below are some examples.**

1. **Changes for Elderly/Disabled Households.** The new HOTMA rules increase – from \$400 to \$525 per household – the standard deductions for families with a head, co-head, or spouse who is elderly or a person with a disability. That is great news, however, a higher threshold must be met before a family will receive a medical- and/or disability-related expense deduction for their out-of-pocket expenses. The current threshold of 3% of your annual income will increase to 10%. If this affects you, we can discuss new options to gradually incorporate these changes into your rental calculations over time, instead of all at once.
2. **Less paperwork to verify income and assets.** These administrative changes can make the process quicker and easier for owners and households. As a result, new applicant households might move in faster and reexaminations can be accomplished with less paperwork from you. That is a win-win for everyone.
3. **New rules for calculating income and assets.** HOTMA has expanded lists of what owners must count, or not count, as income and assets when determining eligibility and rent amounts for a household. **The vast majority of these changes are beneficial to current residents.** For example, income such as child support will be calculated based on what was actually received versus what the court ordered. Some assets that needed to be verified last year will no longer be considered assets for you.
4. **New rules regarding asset limitations for section 8 applicant households and eligibility for subsidy.** Households with net family assets that exceed \$100,000, or those that own real property that is suitable for occupancy, will be determined ineligible when first applying for the program. This will not affect residents currently participating in the HCV program. Existing

residents should be aware that these new asset limits **will not cause in-place Section 8 households to be evicted**. If this rule change impacts your family, we will be having a more in-depth conversation with you to explain the change and how it might affect your household.

5. **Standard deduction inflation adjustments.** Under HOTMA, HUD is now obligated to adjust standard deductions annually to account for inflation. Those include the dependent and elderly deduction and the asset threshold amounts. We will notify you when HUD releases more information in coming years about these adjustments.
6. **Financial hardship options.** HOTMA has several options that may help households who are affected by the new rules and facing financial hardship. These pertain to **health and medical** expenses, reasonable **attendant care and auxiliary apparatus** expenses and **childcare** expenses. Staff will discuss these options with you if/when your household is affected.

Additional Resources

Additional detailed information about these HOTMA changes is available through the following resources.

- **HUD's Resident Resource HOTMA Website:**
<https://www.hudexchange.info/programs/hotma/hotma-income-and-assets/#resident-resource>
- **PIH Notice 2023-27** (*Implementation Guidance: Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016*)
<https://www.hud.gov/sites/dfiles/PIH/documents/PIH%202023-27%20HOTMA.pdf>

NSPIRE Changes

The Department of Housing and Urban Development (HUD) has revised the Housing Quality Inspection Standards (HQS) for the Housing Choice Voucher (HCV) program. All Public Housing Authorities (PHA) must begin using the National Standards for the Physical Inspection of Real Estate (NSPIRE) protocols for all inspections by Oct. 1, 2025. AHA intends to implement the new standards in the Spring of 2025. We will provide additional information and training to landlords in advance of the implementation date.

The focus of NSPIRE is on ensuring that the items and components located inside and outside of HUD housing units are functionally adequate, operable and free of health and safety hazards.

NSPIRE focuses on the following eight critical areas to prioritize the health and safety of AHA residents:

- | | |
|---------------------|--------------------|
| ● Fire Safety | ● Infestation |
| ● Water Safety | ● Lead Based Paint |
| ● Mold and Moisture | ● Structural |
| ● Carbon Monoxide | ● Habitability |

Below are the notable changes to NSPIRE.

Carbon Monoxide Detectors (Requirement already effective)

Carbon monoxide (CO) detectors are required on every level of the unit. Any missing or inoperable CO detector will result in a life threatening 24-hour inspection deficiency. If applicable, CO detectors are required in the following additional locations: 1) If your unit has a fuel burning appliance (gas or wood) and/or an attached garage, a CO detector is required in the immediate vicinity of sleeping rooms, 2) If the bedroom contains a fireplace or another fuel-burning appliance, a CO detector is required within the bedroom, and 3) If your unit is within a multi-unit building that has a garage attached, underneath or within any building, a CO detector is required in the immediate vicinity of sleeping rooms, even if units within the building are without fuel-burning appliances.

Smoke Detectors (Requirement already effective)

Smoke detectors are required on every level of the unit, inside each bedroom, and in the immediate vicinity of the sleeping rooms. Any missing or inoperable smoke detector will result in a life threatening 24-hour inspection deficiency, and sealed batteries or hardwired will be required for all smoke detectors.

Electrical (NEW)

- GFCI (Ground Fault Circuit Interrupter) outlet must be present within six feet of a water source (i.e., sink, bathtub, shower, water faucet, toilet) that is in the same room.
- All rooms for living must have either two working outlets or one outlet and one permanent light fixture, and;
- The electric service panel must be reasonably accessible by the tenant (i.e., must be reachable and able to be opened without moving obstructions, dismantling, destructive measures, or actions that may pose a risk to persons or property).

Hazards in rooms used for living (NEW)

- A damaged or blocked sprinkler system will result in a 24-hour inspection deficiency.
- Holes in walls if 2" or group of 6"x6".
- Sharp edges, including broken glass, nails, uncapped toilet bolts etc., that may cause bodily harm are considered hazards.
- Cabinet drawers should have stops, and not have more than 25% missing or 50% damaged.
- Trip hazards: 3/4" vertical differential or 2" horizontal gap, damaged nosing on stairs or elevators are considered hazards.

Paint issues (NEW)

Lead based paint standards have been updated and apply to units that were built before 1978 and have a child under age 6 or a pregnant person living there or expected to live there.

Exterior issues (NEW)

- Missing guardrail is a 24-hour inspection deficiency.

- Missing or inadequate signage, such as building numbers or address.
- Roof if substrate is exposed or has holes.
- Fire doors must function as designed.
- Litter, and;
- Potholes.

Appendix C lists NSPIRE life-threatening deficiencies. To see the full NSPIRE Inspection Standards, visit https://www.hud.gov/program_offices/public_indian_housing/reac/nspire

Additional Information

We understand this is a lot of new information. Your HCV Case Manager is here to help you understand these changes and how they will impact your household. We will share additional details with you as soon as they become available to us.

If you require aids, services, translation, or interpretation in relation to the information contained in this document, please contact AHA's (706) 724-5466, phaadm@augustapha.org.

Sincerely,



Alicia Mortley,
Director of Administration

Attachments: Appendix A
Appendix B
Appendix C

APPENDIX A – Excluded Income

Annual income does not include the following:

- (1) Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.
- (2) The following types of trust distributions:
 - (i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under [§ 5.603\(b\)](#):
 - (A) Distributions of the principal or corpus of the trust; and
 - (B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.
 - (ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
- (3) Earned income of children under 18 years of age.
- (4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.
- (5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.
- (6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.
- (7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.
- (8) Income of a live-in aide, foster child, or foster adult as defined in [§§ 5.403](#) and [5.603](#), respectively.

(9)

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended ([20 U.S.C. 1087uu](#)), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 ([20 U.S.C. 1002](#))) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this [paragraph \(9\)\(ii\)](#), means a grant or scholarship received from—

(1) The Federal government;

(2) A State, Tribe, or local government;

(3) A private foundation registered as a nonprofit under [26 U.S.C. 501\(c\)\(3\)](#);

(4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or

(5) An institution of higher education.

(B) Student financial assistance, for purposes of this [paragraph \(9\)\(ii\)](#), does not include—

(1) Any assistance that is excluded pursuant to [paragraph \(b\)\(9\)\(i\)](#) of this section;

(2) Financial support provided to the student in the form of a fee for services performed (*e.g.*, a work study or teaching fellowship that is not excluded pursuant to [paragraph \(b\)\(9\)\(i\)](#) of this section);

(3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a

student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in [paragraph \(b\)\(9\)\(ii\)\(E\)](#) of this section.

(C) Student financial assistance, for purposes of this [paragraph \(b\)\(9\)\(ii\)](#) must be:

- (1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;
- (2) Expressly to assist a student with the costs of higher education; or
- (3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this [paragraph \(b\)\(9\)\(ii\)](#), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this [paragraph \(b\)\(9\)\(ii\)](#).

(E) When the student is also receiving assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section, the amount of student financial assistance under this [paragraph \(b\)\(9\)\(ii\)](#) is determined as follows:

(1) If the amount of assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section is equal to or exceeds the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section, none of the assistance described in this [paragraph \(b\)\(9\)\(ii\)](#) of this section is considered student financial assistance excluded from income under this [paragraph \(b\)\(9\)\(ii\)\(E\)](#).

(2) If the amount of assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section is less than the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section, the amount of assistance described in [paragraph \(b\)\(9\)\(ii\)](#) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this [paragraph \(b\)\(9\)\(ii\)](#) of this section, or

(ii) the amount by which the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section exceeds the assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)

(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (*e.g.*, special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section.

(13) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(14) Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in [§ 5.611](#).

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in [§ 5.611](#).

(16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department

of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(17) Payments related to aid and attendance under [38 U.S.C. 1521](#) to veterans in need of regular aid and attendance.

(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (*e.g.*, proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in [paragraph \(b\)](#) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing “gap” payments made in accordance with [49 CFR part 24](#) that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (*e.g.*, wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and

(ii) Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

APPENDIX B – Definitions

For all transactions with an effective date on or after July 1, 2025, PHAs must use these definitions.

- “Earned income” and “unearned income” (24 CFR 5.100). Please refer to Notice PIH 2023-27, Attachment F, Sections F.2 and F.3 for guidance on these definitions.
- “Family” (24 CFR 5.403). Please refer to Notice PIH 2023-27, Attachment E, Section E.1 for guidance on the definition of family.
- “Day laborer,” “independent contractor,” and “seasonal worker” (24 CFR 5.603). Please refer to Notice PIH 2023-27, Attachment F, Sections F.2.a, F.2.b, and F.2.c for guidance on these definitions.
- “Dependent” (24 CFR 5.603). Please refer to Notice PIH 2023-27, Attachment E, Section E.2 for guidance on the revision to this definition.
- “Foster child” and “foster adult” (24 CFR 5.603). Please refer to Notice PIH 2023-27, Attachment E, Section E.2 for guidance on these definitions. Note: The definitions of “foster child” and “foster adult” were added to 24 CFR 982.4 as part of a final rule published on May 7, 2024 (“Housing Opportunity Through Modernization Act of 2016-Housing Choice Voucher (HCV) and Project-Based Voucher Implementation; Additional Streamlining Changes,” 89 FR 38224), and this rule did not have a delayed compliance date.⁷ For the Housing Choice Voucher program [including Project-Based Vouchers], PHAs must already be implementing the definition of “foster child” and “foster adult”.
- “Health and medical care expenses” (24 CFR 5.603). Please refer to Notice PIH 2023-27, Attachment C, Section C.3.b for guidance on this definition.
- “Minor” (24 CFR 5.603).

APPENDIX C – NSPIRE LIFE THREATENING DEFICIENCIES

Inspectable Item	Deficiency
Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor. System does not function properly.
Carbon Monoxide Alarm	Carbon monoxide alarm is missing, not installed, or not installed in a proper location. Carbon monoxide alarm is obstructed. Carbon monoxide alarm does not produce an audio or visual alarm when tested.
Chimney	A visually accessible chimney, flue, or firebox connected to a fireplace or wood-burning appliance is incomplete or damaged such that it may not safely contain fire and convey smoke and combustion gases to the exterior. Chimney exhibits signs of structural failure.
Clothes Dryer Exhaust Ventilation	Electric dryer transition duct is detached or missing. Gas dryer transition duct is detached or missing. Electric dryer exhaust ventilation system has restricted airflow. Dryer transition duct is constructed of unsuitable material. Gas dryer exhaust ventilation system has restricted airflow.
Door - Entry	Entry door is missing.
Door - Fire Labeled	Fire labeled door is missing.
Egress	Obstructed means of egress. Sleeping room is located on the 3rd floor or below and has an obstructed rescue opening. Fire escape is obstructed.
Electrical - Conductor, Outlet, and Switch	Outlet or switch is damaged. Exposed electrical conductor. Water is currently in contact with an electrical conductor.
Electrical - Service Panel	The overcurrent protection device is damaged.
Exit Sign	Exit sign is damaged, missing, obstructed, or not adequately illuminated.
Fire Escape	Fire escape component is damaged or missing.
Fire Extinguisher	Fire extinguisher pressure gauge reads over or under-charged. Fire extinguisher service tag is missing, illegible, or expired. Fire extinguisher is damaged or missing.
Flammable and Combustible Items	Flammable or combustible item is on or within 3 feet of an appliance that provides heat for thermal comfort or a fuel-burning water heater. OR Improperly stored chemicals.
Guardrail	Guardrail is missing or not installed. Guardrail is not functionally adequate.
Heating, Ventilation, and Air Conditioning (HVAC)	The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit. Unvented space heater that burns gas, oil, or kerosene is present.

	Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance.
	Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing.
Leak - Gas or Oil	Natural gas, propane, or oil leak.
Mold-like Substance	Presence of mold-like substance at extremely high levels is observed visually.
Smoke Alarm	Smoke alarm is not installed where required.
	Smoke alarm is obstructed.
	Smoke alarm does not produce an audio or visual alarm when tested.
Sprinkler Assembly	Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head.
	Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance.
	Sprinkler assembly has evidence of corrosion.
	Sprinkler assembly has evidence of foreign material that is detrimental to performance. .
Structural System	Structural system exhibits signs of serious failure.
Toilet	Only 1 toilet was installed, and it is missing.
Water Heater	Chimney or flue piping is blocked, misaligned, or missing.
	Gas shutoff valve is damaged, missing, or not installed.