

# REAC Resources

## REAC Preparedness Guide

REAC (Real Estate Assessment Center) is a Department of HUD (U.S. Department of Housing and Urban Development)

The purpose of this guide is to get you familiar with REAC protocol and reasoning.

A REAC inspection does not follow any State or Local codes. A REAC inspection is nothing more than HUDs rules.

It would be impossible to write a program that would contain each state and local authority's codes.

Therefore the main "rule of thumb" is; if there is a system or component in place, it must function as intended.

REAC leaves it up to the state and local authorities to determine if the item or system needs to be there.

### Scheduling an inspection.

Do not allow the inspector to pressure you into an inspection date. There is always a "drop dead date" for an inspection which is the due date. However we want to work with the inspector and want to make it convenient for all parties concerned.

### Preparing for a REAC Inspection.

Have all necessary paperwork and documentation ready such as;

- Current rent roll listed by building in sequential order indicating any vacant units, units used as anything other than dwelling units, units currently under treatment for bed bugs.
- Square footage of all parking lots, roadways, exterior steps and walkways belonging to the property. Keep in mind that the level of defect determined the defective area compared to the total square footage so this is a number the property wants to provide and not leave it up to the inspector to estimate. If the inspector estimates too low it could have a great impact on the site score of the property.
- All applicable certifications, inspection reports and testing documentation.
- Resident notification letter stating the time and date of the inspection.
- Lead based paint inspection report.(the executive summary from the report is usually sufficient.) if constructed prior to 1978.
- Boiler inspection if applicable.
- Sprinkler inspection if applicable.
- Monitored fire alarm if applicable.

- Fire extinguisher inspection if applicable. This comes in handy if an inspection tag is missing . If you have a report stating that all extinguishers on the property were inspected , a defect will not be recorded as long as the gauge indicates a full charge. As a note keep in mind that an overcharged extinguisher carries the same penalty as a discharged one. The green area of the gauge indicates a proper charge if the needle is not in this area it is assumed that the unit is not being maintained according to manufacturer's specs and will be sited a s a defect.
- Elevator inspection report or certification if applicable.
- Run up records for the on-site generator if applicable. This is the only piece of documentation that carries a point value.

### Conduct during an inspection;

When accompanying the inspector do not offer any information regarding the property. Let the inspector discover any defects on his own and let him guide you on the property. It is not up to you to tell him that he missed an area or item. Responses to the inspector's questions should be as brief as possible without coming across as rude.

Have keys to all areas of the property with you at all times. If an inspector has to wait for you to look for keys to gain access to an area, he or she is looking around and possibly discovering other defects. It is very important to keep the momentum of the inspection flowing.

First impressions go a long way. Make sure the property looks like it has well maintained.

- Try to schedule a dumpster pick up on the day before the inspection.
- Make sure grass is cut and fresh mulch is distributed.
- Be sure there is no trash on the property.

An inspector knows within a few moments upon arrival what kind of day it is going to be. If the property looks good and well-kept the more likely he or she is to overlook a potential defect. If the property is a mess the inspector goes into "self-preservation mode" knowing that a HUD QA can show up on the property at a later time to evaluate their inspection. With this in mind the inspectors knows he or she cannot trust you to correct a defect if they don't write it.

Keep in mind this is a numbers game with the potential for extreme consequences for the management company and the owners group due to a bad score. The inspection score determines the interval for future inspections. As we all know it is costly in both man power and dollars to prepare for a REAC inspection. The longer you can go without one the better it is for all.

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