

# GAO Highlights

Highlights of [GAO-20-277T](#), a statement for the record to the Subcommittee on Housing, Community Development, and Insurance, Committee on Financial Services, House of Representatives

## Why GAO Did This Study

As of the end of 2018, roughly 4.4 million low-income households were served by HUD's three largest rental assistance programs. HUD has responsibilities for ensuring that housing units provided under these programs are decent, safe, sanitary, and in good repair, as well as for identifying and addressing lead paint hazards in these units.

GAO issued reports in March 2019 ([GAO-19-254](#)) on HUD's physical inspections of HUD-assisted properties and in June 2018 on lead paint hazards in the public housing and voucher programs ([GAO-18-394](#)). This statement is based on these two reports and discusses prior GAO findings on (1) REAC inspections and inspector oversight and (2) lead paint hazards. For the March 2019 report, GAO reviewed HUD documents and data related to REAC's physical inspection process. For the June 2018 report, GAO reviewed HUD documents and information related to its compliance efforts, performance measures, and reporting.

In March 2019, GAO made 14 recommendations to HUD to improve the physical inspections process and oversight of inspectors. In June 2018, GAO made six recommendations to HUD to improve compliance monitoring processes, inspection standards, and performance assessment and reporting on lead reduction efforts in federally assisted properties. HUD generally agreed with these recommendations. As of November 2019, HUD officials had identified planned steps to implement most of these recommendations but had not fully addressed them.

View [GAO-20-277T](#). For more information, contact Daniel Garcia-Diaz at (202) 512-8678 or [garciadiazd@gao.gov](mailto:garciadiazd@gao.gov).

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## RENTAL HOUSING ASSISTANCE

### HUD Should Strengthen Physical Inspection of Properties and Oversight of Lead Paint Hazards

## What GAO Found

The Department of Housing and Urban Development (HUD) plays an important role in providing decent and safe housing for households receiving federal rental assistance. However, HUD needs to improve its physical inspection program and its efforts to identify and address lead paint hazards in federally assisted housing. To that end, GAO made 20 recommendations on these issues in its March 2019 and June 2018 reports.

**Physical inspections of properties.** HUD's Real Estate Assessment Center (REAC) is responsible for conducting physical inspections of HUD-assisted properties. Despite longstanding processes to inspect properties and take action against owners who do not address physical deficiencies, HUD continues to find some properties in poor physical condition and with life-threatening health and safety issues. In a March 2019 report, GAO identified a number of areas in which HUD needed to improve its physical inspection process and oversight of inspectors, which could help ensure the health and safety of those who live in HUD-assisted properties. For example, REAC had not conducted a comprehensive review of its inspection process since 2001, although new risks to the process have emerged since then. A comprehensive review could help REAC identify risks and ensure it meets the goal of producing reliable inspections.

In addition, REAC uses contractors to inspect properties; these contract inspectors are trained and overseen by HUD staff known as quality assurance inspectors. However, GAO found REAC lacked formal mechanisms to assess the effectiveness of its training program for contractor inspectors and for HUD employees responsible for monitoring and overseeing contract inspectors. And, unlike professional inspection organizations, REAC does not have continuing education requirements. Formal mechanisms to assess the effectiveness of its training program and requirements for continuing education could help REAC ensure its program supports development needs of inspectors and that inspectors are current on any changes in policy or industry standards.

**Lead paint hazards.** GAO also identified a number of areas in which HUD could improve its efforts to identify and address lead paint hazards to protect children from lifelong health problems. Lead paint hazards (such as dust containing lead and chips from deteriorated lead-based paint) are the most common source of lead exposure for U.S. children. In a June 2018 report, GAO identified shortcomings in HUD's compliance monitoring and enforcement, inspection standards, and performance assessment and reporting for lead-reduction efforts. For example, HUD's monitoring efforts relied in part on public housing agencies to self-certify compliance with lead paint regulations. Additionally, the lead inspection standard for the voucher program is less strict than that for the public housing program. As a result, children living in voucher units may receive less protection from lead paint hazards than children living in public housing. Furthermore, GAO found that HUD did not track the number of lead-safe housing units in the voucher or public housing programs. Therefore, HUD may not be fully aware of the extent to which children have been living in unsafe units.