

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### FISCAL YEAR 2026 GENERAL PROVISIONS (INCLUDING CANCELLATIONS AND TRANSFER OF FUNDS)

This document summarizes the General Provisions (GPs) in the FY 2026 President's Budget.

*SEC. 201. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 1437f note) shall be cancelled or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not cancelled or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not cancelled or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.*

**Explanation of this Section – Section 8 Savings:** This section relates to the sharing of savings from refunding bonds for certain Section 8 contracts.

*SEC. 202. Except as explicitly provided in law, any grant, cooperative agreement or other assistance made pursuant to title II of this Act shall be made on a competitive basis and in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545).*

**Explanation of this Section – Competition in Accordance with HUD Reform Act:** This provision requires that HUD funds be subject to competition unless specified otherwise in statute.

*SEC. 203. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1).*

**Explanation of this Section – GNMA Legal Services:** This provision makes limitations on administrative expenses inapplicable to certain expenditures of Ginnie Mae, including legal services contracts and the expenses of carrying out its programmatic duties. This provision ensures that administrative expenses provided in annual appropriations bills do not preclude Ginnie Mae's reliance upon its permanent, indefinite appropriation, in Section 1 of the National Housing Act, for essential operating funds.

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*SEC. 204. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of such Act as may be necessary in carrying out the programs set forth in the budget for 2026 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.*

**Explanation of this Section – HUD Corporation Expenditures:** This provision is an authorization by which Congress implements its responsibilities under Section 104 of the Government Corporations Control Act (31 U.S.C. 9104), which is necessary to carry out the programs set forth in Ginnie Mae's budget for the coming year.

*SEC. 205. No official or employee of the Department of Housing and Urban Development shall be designated as an allotment holder unless the Office of the Chief Financial Officer has determined that such allotment holder has implemented an adequate system of funds control and has received training in funds control procedures and directives. The Chief Financial Officer shall ensure that there is a trained allotment holder for each HUD appropriation under the accounts "Executive Offices", "Administrative Support Offices", "Program Offices", "Government National Mortgage Association-Guarantees of Mortgage-Backed Securities Loan Guarantee Program Account", and "Office of Inspector General" within the Department of Housing and Urban Development.*

**Explanation of this Section – Designated Allotment Holders:** This provision requires the OCFO to make sure that allotment holders have an adequate funds control system in place and that training on funds control procedures and directives has occurred for an official or employee before such official or employee is designated an allotment holder.

*SEC. 206. The Secretary shall, for fiscal year 2026, notify the public through the Federal Register and other means, as determined appropriate, of the issuance of a notice of the availability of assistance or notice of funding opportunity (NOFO) for any program or discretionary fund administered by the Secretary that is to be competitively awarded. Notwithstanding any other provision of law, for fiscal year 2026, the Secretary may make the NOFO available only on the Internet at the appropriate Government website or through other electronic media, as determined by the Secretary.*

**Explanation of this Section – Notice of Funding Opportunity Publication:** This provision requires the Department to publish notices of availability of assistance or funding opportunity for any program that is competitively awarded. The notices may be published on the internet.

## GENERAL PROVISIONS

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*SEC. 207. The Secretary may transfer funds appropriated for any office under the headings “Administrative Support Offices”, “Program Offices”, or “Government National Mortgage Association—Guarantees of Mortgage-Backed Securities Loan Guarantee Program Account” to any other such office under such headings: Provided, That the Secretary shall provide notification to the House and Senate Committees on Appropriations no less than 3 business days in advance of any such transfer under this section up to 10 percent or \$5,000,000, whichever is less: Provided further, That the Secretary shall submit a written justification for any such transfer that increases or decreases an office by more than 10 percent or \$5,000,000, whichever is less, no less than 10 business days in advance of such transfer.*

**Explanation of this Section – Transfer of Funds:** This provision gives the Secretary the authority to transfer a limited amount of funds, as needed, between accounts that provide for personnel and non-personnel expenses. Expanding the transfer authority to include the Government National Mortgage Association (GNMA) is necessary to provide the Department with the flexibility to prevent salaries and expenses (S&E) funding shortfalls and ensure that GNMA is adequately staffed to play its critical role in ensuring the stability of the housing finance market.

*SEC. 208. None of the funds made available in this Act shall be used by the Federal Housing Administration, the Government National Mortgage Association, or the Department of Housing and Urban Development to insure, securitize, or establish a Federal guarantee of any mortgage or mortgage backed security that refinances or otherwise replaces a mortgage that has been subject to eminent domain condemnation or seizure, by a State, municipality, or any other political subdivision of a State.*

**Explanation of this Section – Eminent Domain Restrictions:** This provision prohibits HUD from guaranteeing mortgages or mortgage-backed securities that refinance or otherwise replace mortgages that have been subject to eminent domain.

*SEC. 209. Amounts made available by this Act that are appropriated, allocated, advanced on a reimbursable basis, or transferred to the Office of Policy Development and Research of the Department of Housing and Urban Development and functions thereof, for research, evaluation, or statistical purposes, and that are unexpended at the time of completion of a contract, grant, or cooperative agreement, may be deobligated and shall immediately become available and may be reobligated in that fiscal year or the subsequent fiscal year for the research, evaluation, or statistical purposes for which the amounts are made available to that Office.*

**Explanation of this Section – Unobligated Research Funds:** This provision gives HUD the ability to re-obligate research funds left unexpended at the conclusion of an agreement.

*SEC. 210. None of the funds provided in this Act or any other Act may be used for awards, including performance, special act, or spot, for any employee of the Department of Housing and Urban Development subject to administrative discipline (including suspension from work), in this fiscal year, but this prohibition shall not be effective prior to the effective date of any such administrative discipline or after any final decision over-turning such discipline.*

**Explanation of this Section – Prohibition of Awards:** This provision prohibits the Department from issuing performance awards to employees subject to administrative discipline.

*SEC. 211. For fiscal year 2026, if the Secretary determines or has determined, for any prior formula grant allocation administered by the Secretary through the Offices of Public and Indian Housing, Community Planning and Development, or Housing, that a recipient received an allocation greater than the amount such recipient should have received for a formula allocation cycle pursuant to applicable statutes and regulations, the Secretary may adjust for any such funding error in the next applicable formula allocation cycle by (a) offsetting each such recipient's formula allocation (if eligible for a formula allocation in the next applicable formula allocation cycle) by the amount of any such funding error, and (b) reallocating any available balances that are attributable to the offset to the recipient or recipients that would have been allocated additional funds in the formula allocation cycle in which any such error occurred (if such recipient or recipients are eligible for a formula allocation in the next applicable formula allocation cycle) in an amount proportionate to such recipient's eligibility under the next applicable formula allocation cycle: Provided, That all offsets and reallocations from such available balances shall be recorded against funds available for the next applicable formula allocation cycle: Provided further, That the term "next applicable formula allocation cycle" means the first formula allocation cycle for a program that is reasonably available for correction following such a Secretarial determination: Provided further, That if, upon request by a recipient and giving consideration to all Federal resources available to the recipient for the same grant purposes, the Secretary determines that the offset in the next applicable formula allocation cycle would critically impair the recipient's ability to accomplish the purpose of the formula grant, the Secretary may adjust for the funding error across two or more formula allocation cycles.*

**Explanation of this Section – Formula Grant Allocation Adjustments:** This provision allows the Department to correct any past formula allocation errors as part of the next applicable formula allocation cycle.

*SEC. 212. Of the amounts made available for salaries and expenses under all headings in this title (excluding amounts made available under the heading "Office of Inspector General"), a total of up to \$10,000,000 may be transferred to and merged with amounts made available in this title under the heading "Information Technology Fund".*

**Explanation of this Section – Information Technology Transfer**

**Authority:** This provision allows for the transfer and merger of up to \$10 million of salaries and expenses funds to the Information Technology Fund.

*SEC. 213. The Secretary of Housing and Urban Development may include the whistleblower protections in section 4712 of title 41, United States Code, in any contract, subcontract, grant, subgrant, or personal services contract that is modified for any reason, even when the modification is not considered a major modification, regardless of when the agreement was executed.*

**Explanation of this Section:** This provision provides HUD the clear authority to expeditiously include whistleblower protections of 41 U.S.C. 4712 within all contracts and grants, including outstanding project-based rental assistance contracts, rather than wait until there is a major modification.