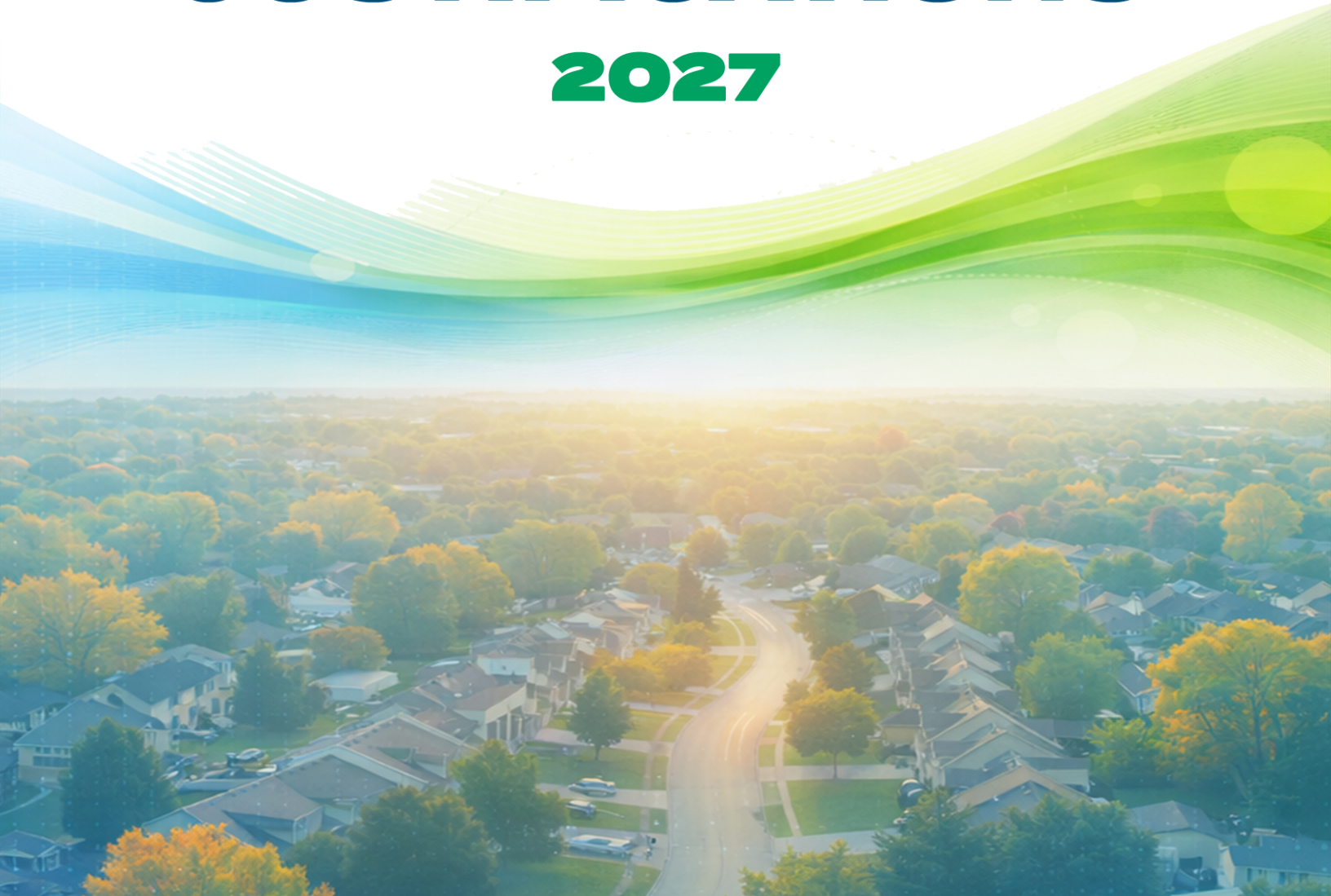




U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CONGRESSIONAL JUSTIFICATIONS

2027



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
2027 CONGRESSIONAL JUSTIFICATIONS
TABLE OF CONTENTS

DEPARTMENTAL SUMMARY

Introduction	1
Budget Authority	1
Budget Outlays	1
Full-Time Equivalent (FTE) Staff Summary	1

PUBLIC AND INDIAN HOUSING

Tenant-Based Rental Assistance	2
Public Housing Fund	3
Assisted Housing Inspections and Risk Assessments	4
Housing Certificate Fund	5
Choice Neighborhoods	6
Self-Sufficiency Programs	7
Native American Programs	8
Indian Housing Loan Guarantee Fund (Section 184)	9
Native Hawaiian Housing Block Grants	10
Native Hawaiian Housing Loan Guarantee Fund (Section 184A)	11

COMMUNITY PLANNING AND DEVELOPMENT

Housing Opportunities for Persons with AIDS	12
Community Development Fund	13
Community Development Loan Guarantee	14
HOME Investment Partnerships Program	15
Self-Help and Assisted Homeownership Opportunity Program	16
Homeless Assistance Grants	17
Housing Trust Fund	18
Preservation and Reinvestment Initiative for Community Enhancement	19

HOUSING

Project-Based Rental Assistance	20
Housing for the Elderly (Section 202)	21
Housing for Persons with Disabilities (Section 811)	22
Housing Counseling Assistance	23
Manufactured Housing Fees Trust Fund	24
Mortgage and Loan Insurance Programs (FHA Fund)	25

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
2027 CONGRESSIONAL JUSTIFICATIONS
TABLE OF CONTENTS

<u>GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</u>	
Mortgage-Backed Securities Program.....	26
Ginnie Mae Salaries and Expenses	27
<u>POLICY DEVELOPMENT AND RESEARCH</u>	
Research and Technology.....	28
<u>FAIR HOUSING AND EQUAL OPPORTUNITY</u>	
Fair Housing Activities	29
<u>LEAD HAZARD CONTROL AND HEALTHY HOMES</u>	
Lead Hazard Reduction.....	30
<u>MANAGEMENT AND ADMINISTRATION</u>	
Salaries and Expenses Overview.....	31
Executive Offices.....	32
Administrative Support Offices	33
Program Offices Salaries and Expenses.....	34
Working Capital Fund.....	35
Information Technology Fund.....	36
OFFICE OF INSPECTOR GENERAL.....	37
EXPLANATION OF GENERAL PROVISIONS.....	38

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
CONGRESSIONAL JUSTIFICATIONS**

INTRODUCTION

The following table summarizes the Department’s funding and staffing requests for 2025 through 2027:

	<u>2025 ACTUAL</u>	<u>2026 ENACTED</u> (Dollars in Millions)	<u>2027 BUDGET</u>
<u>BUDGET AUTHORITY</u>			
Discretionary (Gross)	89,085	84,216	73,504
Offsetting Receipts	(8,036)	(9,941)	(11,523)
Discretionary (Net)	81,049	74,275	61,981
Mandatory (Net)	6,169	9,564	10,622
Total Budget Authority	87,218	83,839	72,603
<u>BUDGET OUTLAYS</u>			
Discretionary	76,558	79,674	81,936
Mandatory	(26,027)	(3,643)	(6,169)
Total Budget Outlays	50,531	76,031	75,767
<u>FULL-TIME EQUIVALENTS</u>			
FTE Staff (includes S&E, OIG, GNMA)	8,422	6,155	6,236

NOTES:

Detail may not add to totals due to rounding. The first part begins with a set of summary tables outlining the Department’s budget authority, outlays, and staffing levels. The tabular material is followed by discussions of the Department’s programs.

Throughout the Justifications, all references to years refer to fiscal years (beginning October 1 and ending September 30) unless otherwise noted.

BUDGET AUTHORITY BY PROGRAM
COMPARATIVE SUMMARY, FISCAL YEARS 2025 - 2027
(DOLLARS IN MILLIONS)

	2025 ACTUAL	2026 ENACTED	2027 PRESIDENT'S BUDGET
DISCRETIONARY PROGRAMS ^{a/}			
PUBLIC AND INDIAN HOUSING PROGRAMS			
Tenant-Based Rental Assistance			
Section 8 Contract Renewals	32,145	34,957	35,565
Section 8 Rental Assistance (Tenant Protection Vouchers)	337	601	300
Administrative Fees	2,771	2,836	2,951
Mainstream 811 Voucher Renewals	743	-	-
HUD-VASH	15	15	-
Family Unification Program (FUP) Vouchers	30	30	30
Transfer to Project-Based Rental Assistance	(1)	(10)	(10)
Transfer from Housing for the Elderly (Section 202)	-	2	2
Transfer from Public Housing Fund	31	45	40
Tenant-Based Rental Assistance Total	36,071	38,476	38,878
Public Housing Fund			
Public Housing Formula Grants (Operating Expenses)	5,476	4,687	5,377
Public Housing Formula Grants - Shortfall Prevention	25	337	-
Public Housing Formula Grants (Capital Expenses)	3,200	3,200	3,200
Emergency Disaster Grants	20	20	20
Set-Aside for Safety and Security Grants	10	10	10
Troubled At Risk PHAs	15	15	15
Housing Health Hazards	40	25	-
Lead-Based Hazards	25	25	-
Transfer to Tenant-Based Rental Assistance	(31)	(45)	(40)
Transfer to Project-Based Rental Assistance	(18)	(15)	(20)
Public Housing Fund Total	8,762	8,259	8,562
Assisted Housing Inspections and Risk Assessments			
Assisted Housing Inspections and Risk Assessments	50	50	25
Rescission	-	(22)	-
Assisted Housing Inspections and Risk Assessments Total	50	28	25
Choice Neighborhoods			
Choice Neighborhoods Grants	75	25	-
Choice Neighborhoods Total	75	25	-
Self-Sufficiency Programs			
Family Self-Sufficiency	141	156	-
Jobs-Plus Initiative	15	10	-
Resident Opportunity and Self-Sufficiency	40	40	-
Self-Sufficiency Programs Total	196	206	-
Native American Programs			
Indian Housing Block Grant Formula	1,111	1,111	872
Indian Housing Block Grant Competitive	150	125	-
Indian Community Development Block Grant	75	100	5
Technical Assistance	5	5	-
National and Regional Organizations	2	2	-
Title Guarantee - Title VI (Credit Subsidy)	1	1	-
Tribal HUD-VASH	-	10	10
Native American Programs Total	1,344	1,354	887

Public Housing Capital Fund			
Rescission	-	(1)	-
Public Housing Capital Fund Total	-	(1)	-
Public Housing Operating Fund			
Rescission	-	(3)	-
Public Housing Operating Fund Total	-	(3)	-
Indian Housing Loan Guarantee Fund (Section 184)			
Loan Guarantee Credit Subsidy	2	1	-
Indian Housing Loan Guarantee Fund (Section 184) Total	2	1	-
Native Hawaiian Housing Block Grant			
Native Hawaiian Housing Block Grant	22	22	-
Native Hawaiian Housing Block Grant Total	22	22	-
PUBLIC AND INDIAN HOUSING PROGRAMS TOTAL	46,522	48,367	48,352

COMMUNITY PLANNING AND DEVELOPMENT

Homeless Assistance Grants			
Continuum of Care	3,492	3,958	-
New Permanent Supportive Housing	100	-	-
Victims of Domestic Violence	52	52	-
Emergency Solutions Grants	290	290	4,024
National Homeless Data Analysis Project	10	10	-
Youth Homelessness Demo	107	107	-
Homeless Assistance Grants Total	4,051	4,417	4,024
Self-Help and Assisted Homeownership Opportunity Program (SHOP)			
Self Help Housing Opportunity Program	12	12	-
Section 4 Capacity Building	42	46	16
Rural Capacity Building	6	7	-
Self-Help and Assisted Homeownership Opportunity Program (SHOP) Total	60	65	16
Community Development Fund ^{b/}			
CDBG Entitlement/Non-Entitlement Grants	3,300	3,300	-
Recovery Housing Program (SUPPORT Act)	30	30	-
PRO Housing (Competitive Grants)	100	50	-
Economic Development Initiatives	-	3,615	-
Community Development Fund Disaster Assistance	12,039	-	-
Rescission	-	(1)	(100)
Transfer to Program Offices	(13)	-	-
Transfer to Information Technology Fund (Direct Appropriation)	(2)	-	-
Transfer to Office of the Inspector General	(7)	-	-
Community Development Fund Total	15,447	6,994	(100)
HOME Investment Partnerships Program			
HOME Investment Partnerships Program	1,250	1,250	-
HOME Investment Partnerships Program Total	1,250	1,250	-
Housing Opportunities for Persons with AIDS			
Formula Grants	455	476	-
Competitive Grants	50	53	-
Housing Opportunities for Persons with AIDS Total	505	529	-
Preservation and Reinvestment Initiative for Community Enhancement			
Preservation and Reinvestment Initiative for Community Enhancement	10	-	-
Rescission	-	(10)	(10)
Preservation and Reinvestment Initiative for Community Enhancement Total	10	(10)	(10)

COMMUNITY PLANNING AND DEVELOPMENT TOTAL			
	21,323	13,245	3,930
HOUSING PROGRAMS			
Project-Based Rental Assistance			
Contract Renewals	16,422	17,984	17,111
Mark-to-Market Rent Adjustments	-	50	-
Contract Administrators	468	509	529
Rescission	-	-	(4)
Transfer from Tenant-Based Rental Assistance	1	10	10
Transfer from Housing for the Elderly (Section 202)	23	34	28
Transfer from Public Housing Fund	18	15	20
Project-Based Rental Assistance Total	16,932	18,602	17,694
Housing Counseling Assistance			
Housing Counseling Assistance Program	53	53	-
Administrative Contract Services	5	5	-
Housing Counseling Assistance Total	58	58	-
Housing for the Elderly (Section 202)			
Elderly PRAC/SPRAC Renewals/Amendments	815	905	832
Service Coordinators/Congregate Services	112	122	122
Other Expenses	4	4	5
Transfer to Project-Based Rental Assistance	(23)	(34)	(28)
Transfer to Tenant-Based Rental Assistance	-	(2)	(2)
Housing for the Elderly (Section 202) Total	908	995	929
Housing for Persons with Disabilities (Section 811)			
Disabled PRAC/PAC/PRA Renewals and Amendments	256	287	262
Capital Advance Amendments and Other Expenses	1	-	4
Housing for Persons with Disabilities (Section 811) Total	257	287	266
Manufactured Housing Fee Trust Fund - General Fund			
Manufactured Housing Fee Trust Fund - General Fund	14	14	14
Rescission	-	(5)	-
Manufactured Housing Fee Trust Fund - General Fund Total	14	9	14
Manufactured Housing Fee Trust Fund - Receipts^{e/}	(17)	(17)	(18)
Mutual Mortgage Insurance Program			
Administrative Contract Expenses	150	160	160
Mutual Mortgage Insurance Program Total	150	160	160
Flexible Subsidy Fund			
Flexible Subsidy Fund	-	2	-
Flexible Subsidy Fund Total	-	2	-
Rental Housing Assistance Fund			
Rental Housing Assistance Fund	-	-	(15)
Rental Housing Assistance Fund Total	-	-	(15)
HOUSING PROGRAMS TOTAL			
	18,302	20,096	19,030
OTHER			
Policy Development and Research			
Research and Technology Activities	119	115	63
Eviction Protection Grants	20	8	-
Rescission	-	-	(20)
Policy Development and Research Total	139	123	43
Fair Housing and Equal Opportunity			

Fair Housing Activities	86	86	26
Fair Housing and Equal Opportunity Total	86	86	26
Office of Lead Hazard Control and Healthy Homes			
Lead Hazard Reduction Grant Program	95	51	30
Lead Hazard Reduction Demonstration Program	105	105	50
Technical Studies and Assistance	3	-	-
Healthy Homes	110	110	9
Aging in Place Modification Grants	30	30	21
Radon Testing and Mitigation Resident Safety Demonstration	2	-	-
Unobligated Prior Year Balances Made Available	(49)	-	-
Office of Lead Hazard Control and Healthy Homes Total	296	296	110
OTHER TOTAL	521	505	179
MANAGEMENT AND ADMINISTRATION			
Administrative Support Offices	686	595	625
Program Offices ^{d/}	1,110	841	814
Executive Offices	19	18	19
Ginnie Mae ^{e/}	57	59	56
Information Technology Fund (Direct Appropriation)	385	345	361
Office of the Inspector General	160	145	138
Working Capital Fund	[70]	[65]	[40]
MANAGEMENT AND ADMINISTRATION TOTAL	2,417	2,003	2,013
SUBTOTAL, HUD DISCRETIONARY BUDGET AUTHORITY (GROSS)	89,085	84,216	73,504
RECEIPTS AND COLLECTIONS			
Government National Mortgage Association			
Government National Mortgage Association Capital Reserve (Negative Subsidy)	(1,511)	(1,370)	(1,351)
Government National Mortgage Association Other Collections	(193)	(219)	(260)
Government National Mortgage Association Total	(1,704)	(1,589)	(1,611)
Housing Programs			
General Insurance and Special Risk Insurance Fund	(339)	(299)	(513)
MMI Fund Capital Reserve (Negative Subsidy)	(5,993)	(8,053)	(9,399)
Housing Programs Total	(6,332)	(8,352)	(9,912)
RECEIPTS AND COLLECTIONS TOTAL	(8,036)	(9,941)	(11,523)
DISCRETIONARY PROGRAMS TOTAL, NET	81,049	74,275	61,981
MANDATORY PROGRAMS			
Mandatory Budget Authority			
Community Planning and Development			
Housing Trust Fund ^{f/}	215	196	263
Community Planning and Development Total	215	196	263
Government National Mortgage Association			
Guarantees of Mortgage-backed Securities Capital Reserve Account	1,511	1,370	1,351
Government National Mortgage Association Total	1,511	1,370	1,351
Housing Programs			
FHA-Mutual Mortgage Insurance Capital Reserve Account	5,993	8,053	9,399
FHA-General and Special Risk Program Account	394	1,255	-
Home Ownership Preservation Equity Fund Program Account	-	7	-
Green and Resilient Retrofit Program for Multifamily Housing	(139)	(283)	-

FHA-General and Special Risk Insurance Funds Liquidating Account	12	(52)	(52)
Housing for the Elderly or Handicapped Fund Liquidating Account	-	(65)	(65)
Housing Programs Total	6,260	8,915	9,282
Public and Indian Housing Programs			
Indian Housing Loan Guarantee Fund Program Account	2	8	-
Public Housing Capital Fund	-	(4)	-
Native American Programs	1	1	-
Public and Indian Housing Programs Total	3	5	-
Management and Administration			
Administrative Support Offices	(33)	-	-
Management and Administration Total	(33)	-	-
Mandatory Budget Authority Total	7,956	10,486	10,896
Mandatory Receipts			
Department of Housing and Urban Development			
FHA-General and Special Risk, Downward Reestimates of Subsidies	(1,530)	(705)	-
Affordable Housing Allocation, Housing Trust Fund	(216)	(195)	(267)
All Other General Fund Proprietary Receipts Including Budget Clearing Accounts	(13)	(2)	(2)
Indian Housing Loan Guarantees, Downward Reestimates of Subsidies	(12)	(8)	-
Undistributed Intragovernmental Payments	(5)	(5)	(5)
Green Retrofit Program for Multifamily Housing, Downward Reestimates of Subsidies	(4)	(1)	-
Emergency Homeowners' Relief Fund, Downward Reestimates	(3)	(1)	-
Title VI Indian Loan Guarantee Downward Reestimate	(2)	(1)	-
Community Development Loan Guarantees, Downward Reestimates	(2)	(2)	-
Home Ownership Preservation Equity Fund, Downward Reestimates of Subsidies	-	(2)	-
Department of Housing and Urban Development Total	(1,787)	(922)	(274)
Mandatory Receipts Total	(1,787)	(922)	(274)
MANDATORY PROGRAMS TOTAL, NET	6,169	9,564	10,622
TOTAL, NET HUD BUDGET AUTHORITY	87,218	83,839	72,603

a/ Include transfers and rescissions

b/ Includes disaster assistance

c/ Manufactured Housing Fee Trust Fund Receipts reflect HUD/OMB estimates for anticipated collections

d/ Includes 2026 Enacted rescissions to Salaries and Expenses Account 086-0143

e/ Ginnie Mae S&E includes no-year contingent budget authority

f/ Includes available sequestered funds from a Prior Year appropriation

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
BUDGET OUTLAYS BY PROGRAM
COMPARATIVE SUMMARY, FISCAL YEARS 2025-2027
(DOLLARS IN MILLIONS)**

	2025 Actual	2026 Enacted	2027 President's Budget
DISCRETIONARY PROGRAMS			
Public and Indian Housing Programs			
Tenant Based Rental Assistance	37,198	38,795	39,153
Public Housing Fund	8,912	7,440	8,959
Native American Programs	1,286	1,288	1,295
Self-Sufficiency Programs	176	209	231
Choice Neighborhoods Initiative	180	215	222
Public Housing Capital Fund	291	148	76
Assisted Housing Inspections and Risk Assessments	13	41	43
Native Hawaiian Housing Block Grant	50	20	15
Indian Housing Loan Guarantee Fund Program Account	3	3	3
Revitalization of Severely Distressed Public Housing (HOPE VI)	2	2	1
Public Housing Operating Fund	40	-	-
Housing Certificate Fund	-	10	-
Public and Indian Housing Programs Total	48,151	48,171	49,998
Community Planning and Development			
Community Development Fund	10,067	12,705	14,639
Homeless Assistance Grants	3,412	4,046	4,649
Home Investment Partnership Program	1,276	1,470	1,341
Housing Opportunities for Persons with AIDS	462	503	481
Preservation and Reinvestment Initiative for Community Enhancement	1	18	77
Self-help and Assisted Homeownership Opportunity Program	47	69	70
Community Planning and Development Total	15,265	18,811	21,257
Housing Programs			
Project-based Rental Assistance	17,155	18,528	17,970
Housing for the Elderly	966	1,007	1,222
Housing for Persons with Disabilities	273	313	398
FHA-Mutual Mortgage Insurance Program Account	145	157	160
Housing Counseling Assistance	76	66	57
Manufactured Housing Fees Trust Fund	13	13	14
Other Assisted Housing Programs	21	31	7
Flexible Subsidy Fund	-	-	-
Housing Programs Total	18,649	20,115	19,828
Government National Mortgage Association			
Guarantees of Mortgage-backed Securities Loan Guarantee Program Account	61	54	60
Government National Mortgage Association Total	61	54	60
Policy Development and Research			
Research and Technology	120	131	115
Policy Development and Research Total	120	131	115
Fair Housing and Equal Opportunity			

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
BUDGET OUTLAYS BY PROGRAM
COMPARATIVE SUMMARY, FISCAL YEARS 2025-2027
(DOLLARS IN MILLIONS)**

	2025 Actual	2026 Enacted	2027 President's Budget
Fair Housing Activities	77	89	89
Fair Housing and Equal Opportunity Total	77	89	89
Office of Lead Hazard Control and Healthy Homes			
Lead Hazard Reduction	215	312	348
Office of Lead Hazard Control and Healthy Homes Total	215	312	348
Management and Administration			
Program Offices	1,112	721	692
Administrative Support Offices	700	716	625
Information Technology Fund	400	378	308
Office of Inspector General	157	139	142
Working Capital Fund	66	65	53
Executive Offices	19	19	20
Community Planning and Development	3	4	6
Salaries and Expenses	1	-	-
Management and Administration Total	2,458	2,042	1,846
DISCRETIONARY PROGRAMS Total	84,996	89,725	93,541
DISCRETIONARY - OFFSETTING COLLECTIONS			
Public and Indian Housing Programs			
Tenant Based Rental Assistance	(13)	-	-
Public Housing Fund	(7)	-	-
Native American Programs	(22)	-	-
Public Housing Capital Fund	(1)	-	-
Public and Indian Housing Programs Total	(43)	-	-
Community Planning and Development			
Community Development Fund	(214)	-	-
Homeless Assistance Grants	(14)	-	-
Home Investment Partnership Program	(5)	-	-
Community Planning and Development Total	(233)	-	-
Housing Programs			
Project-based Rental Assistance	(4)	-	-
Housing for the Elderly	(2)	-	-
FHA-Mutual Mortgage Insurance Program Account	(1)	-	-
Housing for Persons with Disabilities	(4)	(4)	(4)
Flexible Subsidy Fund	(15)	(20)	(20)
FHA-Mutual Mortgage Insurance Capital Reserve Account	(5,993)	(8,053)	(9,399)
Housing Programs Total	(6,019)	(8,077)	(9,423)
Government National Mortgage Association			
Guarantees of Mortgage-backed Securities Loan Guarantee Program Account	(193)	(219)	(260)
Guarantees of Mortgage-backed Securities Capital Reserve Account	(1,511)	(1,370)	(1,351)
Government National Mortgage Association Total	(1,704)	(1,589)	(1,611)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
BUDGET OUTLAYS BY PROGRAM
COMPARATIVE SUMMARY, FISCAL YEARS 2025-2027
(DOLLARS IN MILLIONS)

	2025 Actual	2026 Enacted	2027 President's Budget
Fair Housing and Equal Opportunity			
Fair Housing Activities	(1)	-	-
Fair Housing and Equal Opportunity Total	(1)	-	-
Management and Administration			
Program Offices	(3)	-	-
Administrative Support Offices	(5)	-	-
Salaries and Expenses	-	(4)	-
Information Technology Fund	(3)	-	-
Office of Inspector General	(1)	-	-
Working Capital Fund	(70)	(65)	(40)
Management and Administration Total	(82)	(69)	(40)
DISCRETIONARY - OFFSETTING COLLECTIONS Total	(8,082)	(9,735)	(11,074)
DISCRETIONARY - RECEIPTS			
Department of Housing and Urban Development			
Mobile Home Inspection and Monitoring Fees, Manufactured Housing Fee Trust Fund	(17)	(17)	(18)
FHA-General and Special Risk, Negative Subsidies	(339)	(299)	(513)
Department of Housing and Urban Development Total	(356)	(316)	(531)
DISCRETIONARY - RECEIPTS Total	(356)	(316)	(531)
MANDATORY PROGRAMS			
Public and Indian Housing Programs			
Tenant Based Rental Assistance	1,135	1,022	288
Indian Housing Loan Guarantee Fund Program Account	2	8	-
Native American Programs	111	184	-
Public and Indian Housing Programs Total	1,248	1,214	288
Community Planning and Development			
Home Investment Partnership Program	600	500	750
Housing Trust Fund	600	461	316
Neighborhood Stabilization Program	7	26	26
Community Planning and Development Total	1,207	987	1,092
Housing Programs			
Green and Resilient Retrofit Program for Multifamily Housing	16	30	100
Home Ownership Preservation Equity Fund Program Account	-	7	-
FHA-Mutual Mortgage Insurance Program Account	1,498	3,602	-
FHA-General and Special Risk Program Account	394	1,255	-
FHA-Mutual Mortgage and Cooperative Housing Insurance Funds Liquidating Account	(1)	(2)	(2)
FHA-General and Special Risk Insurance Funds Liquidating Account	(47)	(47)	(57)
Housing for the Elderly or Handicapped Fund Liquidating Account	(60)	(64)	(65)
FHA-Mutual Mortgage Insurance Capital Reserve Account	(26,143)	(10,854)	(6,437)
Housing Programs Total	(24,343)	(6,073)	(6,461)
Government National Mortgage Association			
Guarantees of Mortgage-backed Securities Loan Guarantee Program Account	443	2,674	589

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
BUDGET OUTLAYS BY PROGRAM
COMPARATIVE SUMMARY, FISCAL YEARS 2025-2027
(DOLLARS IN MILLIONS)**

	2025 Actual	2026 Enacted	2027 President's Budget
Guarantees of Mortgage-backed Securities Liquidating Account	(6)	(5)	(5)
Guarantees of Mortgage-backed Securities Capital Reserve Account	(2,826)	(1,532)	(1,408)
Government National Mortgage Association Total	(2,389)	1,137	(824)
Fair Housing and Equal Opportunity			
Fair Housing Activities	1	-	-
Fair Housing and Equal Opportunity Total	1	-	-
Management and Administration			
Program Offices	20	10	6
Information Technology Fund	12	4	4
Administrative Support Offices	4	-	-
Management and Administration Total	36	14	10
MANDATORY PROGRAMS Total	(24,240)	(2,721)	(5,895)
MANDATORY - RECEIPTS			
Department of Housing and Urban Development			
Green Retrofit Program for Multifamily Housing, Downward Reestimates of Subsidies	(4)	(1)	-
Title VI Indian Loan Guarantee Downward Reestimate	(2)	(1)	-
Indian Housing Loan Guarantees, Downward Reestimates of Subsidies	(12)	(8)	-
Community Development Loan Guarantees, Downward Reestimates	(2)	(2)	-
Home Ownership Preservation Equity Fund, Downward Reestimates of Subsidies	-	(2)	-
Emergency Homeowners' Relief Fund, Downward Reestimates	(3)	(1)	-
FHA-General and Special Risk, Downward Reestimates of Subsidies	(1,530)	(705)	-
All Other General Fund Proprietary Receipts Including Budget Clearing Accounts	(13)	(2)	(2)
Undistributed Intragovernmental Payments	(5)	(5)	(5)
Affordable Housing Allocation, Housing Trust Fund	(216)	(195)	(267)
Department of Housing and Urban Development Total	(1,787)	(922)	(274)
MANDATORY - RECEIPTS Total	(1,787)	(922)	(274)
TOTAL, HOUSING AND URBAN DEVELOPMENT OUTLAYS (NET)	50,531	76,031	75,767

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FULL-TIME EQUIVALENT (FTE) EMPLOYMENT**

(Excludes Overtime and Terminal Leave)

	2025	2026			2027		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Salaries and Expenses	7,654	262	5,202	5,464	181	5,373	5,554
Other Funds:							
Working Capital Fund	13	-	11	11	-	14	14
GNMA	262	8	212	220	26	212	238
Office of Inspector General	493		460	460		430	430
Subtotal	768	8	683	691	26	656	682
Total, HUD FTEs	8,422	270	5,885	6,155	207	6,029	6,236

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Tenant-Based Rental Assistance

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	36,041,000	3,566,068	-	30,000	39,637,068	38,361,910	38,320,000
2026 Appropriation	38,438,557	1,275,400	-	36,900	39,750,857	39,694,000	39,817,000
2027 President's Budget	38,846,000	58,000	-	31,900	38,935,900	38,934,000	39,441,000
Change from 2026	407,443	(1,217,400)	-	(5,000)	(814,957)	(760,000)	(376,000)

a/ 2025 Appropriation includes \$6 billion of the TBRA appropriation designated as an emergency requirement.

b/ 2025 Carryover includes \$4.5 million in recaptured prior year unpaid obligations and \$1.7 billion in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.

c/ 2025 Transfers include \$31 million transferred from the Public Housing Fund and \$1 million transferred to the Project-Based Rental Assistance account for the purpose of Rental Assistance Demonstration (RAD) conversions.

d/ 2026 Carryover includes \$30 million in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.

e/ 2026 Transfers include an estimated \$45 million transferred from the Public Housing Fund, \$2 million transferred from the Housing for the Elderly account and \$10 million transferred to the Project-Based Rental Assistance account for the purpose of Rental Assistance Demonstration (RAD) conversions.

f/ 2027 Transfers include an estimated \$40 million transferred from the Public Housing Fund, \$2 million transferred from the Housing for the Elderly account and \$10 million transferred to the Project-Based Rental Assistance account for the purpose of Rental Assistance Demonstration (RAD) conversions.

PROGRAM PURPOSE

The Housing Choice Voucher (HCV) program is authorized under Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) and is administered locally by approximately 2,100 public housing agencies (PHAs) that currently serve approximately 2.4 million families. The HCV program, also known as Tenant-Based Rental Assistance (TBRA), seeks to expand housing opportunities for very low- and extremely low-income families; reduce the number of homeless individuals, families, youth, and veterans; and support community-based living for people with disabilities.

BUDGET OVERVIEW

The 2027 President's Budget requests \$38.8 billion for TBRA, which is \$407 million more than the 2026 enacted level. The Budget supports HUD's strategic goals to provide Federal housing assistance for people in need while increasing participant self-sufficiency.

The HCV program is the Federal Government's largest program to assist very low-income families, the elderly, and persons with disabilities in renting affordable, decent, safe, and sanitary housing. The program serves the most economically vulnerable families in the country, including families with disabilities, elderly families, formerly homeless veterans, and families with children, by providing Federal voucher assistance payments that help them meet their rental housing needs.

The 2027 Budget includes funding for the following activities:

- \$35.6 billion for Contract Renewals (HAP), which includes \$800 million for Mainstream Vouchers; this request is an increase of \$608 million from the 2026 appropriation;
- \$3.0 billion in Administrative Fees, which is an increase of \$115 million from the 2026 appropriation;
- \$300 million for Tenant Protection Vouchers (TPV), which is a reduction of \$301 million from the 2026 appropriation; and
- \$30 million for the Melania Trump Foster Youth to Independence program. This is \$5 million more than provided in the 2026 appropriation.

JUSTIFICATION

The HCV program is an essential component of the Federal housing strategy for people in need. Housing Choice Vouchers offer low- and extremely low-income families improved affordable housing options in the private market and access to greater economic opportunities. The option to use project-based vouchers helps create and preserve deeply affordable units available to families in need.

The HCV program partners with local PHAs and landlords to provide housing to our Nation's neediest families. Of the families currently receiving HCV assistance:

- 80 percent are extremely low-income;
- 35 percent of households served have an elderly head of household;
- 22 percent have a non-elderly disabled head of household; and
- 32 percent of families served have female heads of household with children.

Without rental assistance, these families face a heightened risk of housing instability and homelessness and must often forgo other life necessities, such as food, clothing, and medicine because of high housing costs.

HCV assistance is primarily tenant-based assistance, which means the assistance is not permanently tied to a particular unit or project, but rather to an individual household. The household is responsible for finding a suitable unit in the private rental market. The PHA pays a monthly housing assistance payment directly to the owner on behalf of the family. That payment helps cover the gap between what very low-income families can afford to pay for rent and the actual rent charged, within reasonable limits established by HUD and local housing agencies. The HCV program relies on private sector partnerships to provide affordable housing opportunities effectively and efficiently in the local community instead of depending on more costly direct government intervention to build additional affordable housing.

Based on the assumptions provided for the 2027 Budget, the amounts in this Budget will be sufficient to fully fund TBRA (including Mainstream Vouchers) Housing Assistance Payments (HAP). This estimate accounts for the changes in the 2027 Budget that are necessary to address the significant cost-overruns the HCV program experienced in the past few years. HUD will require all PHAs to cease issuance of new vouchers, with some limited exceptions such as the Melania Trump Foster Youth to Independence and the HUD-VASH programs, and selected project-based voucher activities. Additionally, HUD will implement various cost-savings measures, such as addressing the use of exception payment standards and other cost drivers through administrative action.

The amount for Contract Renewals includes \$925 million to continue assistance for approximately 92,500 low-income veteran households under the VASH program and includes \$343 million to renew

assistance for approximately 25,000 youth and families participating in the Family Unification/Melania Trump Foster Youth to Independence programs. In addition, the 2027 Budget includes \$800 million for Contract Renewals of Mainstream Vouchers for Non-Elderly Disabled families. Previously, this amount had been included separately in the Mainstream Vouchers account.

The Administrative Fee proration will be approximately 90 percent for TBRA (including Mainstream Vouchers); administrative fees allow PHAs to adequately operate the program in accordance with HUD requirements.

HUD continues to take steps to improve the operations of the voucher program, enhance systems, and streamline requirements to reduce the administrative burden for families, PHAs and owners. The continued implementation of the Housing Opportunities Through Modernization Act (HOTMA) will provide PHAs with new flexibilities that will enable them to reduce administrative burden and redirect those resources to improving performance and services.

The 2027 Budget supports HUD's priority of increasing participant self-sufficiency by requiring PHAs to adopt work requirements and time limits for non-elderly, non-disabled HCV program participants, increasing economic independence.

The 2027 requested funding levels and description for the major components of the HCV Program to achieve the above priorities are:

Contract Renewals - \$35.6 billion

The 2027 Budget provides \$35.6 billion for TBRA Renewals, including costs associated with vouchers needing to be renewed for the first time in 2027. Combined with the natural attrition that will occur (due to the prohibition on issuing new vouchers) this funding level will ensure that no currently assisted families lose assistance throughout 2027. The assumptions supporting the TBRA renewal estimate are based on PHAs' HAP expenses reported in the Voucher Management System (VMS) throughout the calendar year.

The contract renewals request includes \$800 million for Mainstream Vouchers contract renewals. The Mainstream Vouchers program provides tenant-based assistance for non-elderly persons with disabilities to access affordable, private housing of their choice. In previous Budgets, both new units and renewals of existing Mainstream Vouchers were funded separately from the HCV Contract Renewals. However, in the 2026 appropriation, Mainstream Vouchers were included with contract renewals. To continue to lessen administrative burden on both HUD and PHAs, the 2027 Budget continues to renew Mainstream Vouchers as part of the general account for contract renewals. Funding for Mainstream Vouchers will thereby be administered as it is for other special purpose vouchers, where a specific set-aside provides funds for new vouchers and future renewal costs are funded under contract renewals.

The contract renewals request includes a HAP set-aside of up to \$200 million for HAP renewal adjustments. This includes funding to prevent HAP shortfalls at PHAs that have taken adequate cost-savings measures.

Administrative Fees - \$3.0 billion

Administrative fees provide PHAs with the resources necessary to administer rental assistance, including conducting inspections, completing tenant income certifications, and paying salaries and overhead costs incurred in managing the HCV program (including Mainstream Vouchers). This funding level includes up to \$30 million in Administrative Fee set-aside for special fees, such as, but not limited to, special fees for homeownership closings and to address unforeseen and extraordinary circumstances. The funds provided will fund the account at approximately a 90 percent proration.

Tenant Protection Vouchers - \$300 million

Tenant Protection Vouchers (TPVs) are provided to families impacted by housing conversion actions beyond their control. The request, combined with carryover funds and cost saving measures, is sufficient to meet the estimated need of approximately 28,500 vouchers. The TPV need includes housing demolition and/or disposition (including TPVs for RAD Blend developments), Voluntary Conversions, Choice Neighborhoods developments, and HUD multifamily housing conversions triggered by events, including when private owners of multifamily developments choose to leave the project-based rental assistance program or prepay their multifamily mortgages and Moderate Rehabilitation replacements. The 2027 President's Budget changes the TPV eligibility period to 12 months after the unit was occupied from 24 months, among other administrative actions that will achieve program cost savings.

Melania Trump Foster Youth to Independence Initiative - \$30 million

The budget also requests \$30 million to support the award of new housing vouchers for approximately 1,700 additional households under the Melania Trump Foster Youth to Independence (FYI) program (funded under the Family Unification Program umbrella). These vouchers will assist youth aging out of foster care to stay housed to prevent homelessness and instability. Under Melania Trump FYI, eligible youth who have either exited foster care or will exit foster care within 180 days and are either homeless or at risk of homelessness receive housing assistance for 36 months, unless the young person meets the requirements to extend assistance under the Fostering Stable Housing Opportunities Act. The President's Budget supports increased access to Melania Trump FYI vouchers by extending from 90 days to 180 days for when a youth exiting care may be referred for assistance. Further, it provides greater clarity on who is eligible to receive assistance. To maximize utilization, both competitively and non-competitively awarded Melania Trump FYI funds may be recaptured and made available non-competitively to meet changing demand.

Outcomes, Performance Indicators and Other Evidence

The demographics of the families participating in the HCV program demonstrate how this program serves those most in need. The average household size is 2.2 persons, with an average household income of approximately \$18,814 (the Federal Poverty Guideline Level is \$21,150 for a two-person household in 2025). Extremely low-income families (families with incomes less than 30 percent of an area's median income) make up approximately 80 percent of households served. More than half of households are headed by seniors and people with disabilities (including 22 percent that are headed by non-elderly people with disabilities), and 32 percent are female-headed families with children. Twenty-seven percent of households earn wages as their primary source of income, and the average household contribution towards monthly rent (Total Tenant Payment) is \$485.

The Worst-Case Housing Needs: 2025 Report to Congress examines trends in and causes of worst-case needs in 2023.¹ This report finds that since 2019, worst case housing needs have increased across demographic groups, household types, and regions throughout the United States; meaning that these households are severely rent burdened, live in inadequate housing conditions, or both. The unmet need for decent, safe, and affordable rental housing continues to outpace income growth and the ability of Federal, State, and local governments to supply housing assistance and facilitate affordable housing production. As a result, the number of families with worst case housing needs in 2023 remained close to the peak level measured in 2021. Households with worse-case housing needs can be at elevated risks of experiencing homelessness.

Stakeholders

The HCV program will continue to rely on private-sector partnerships to provide affordable housing opportunities effectively and efficiently to residents in their local community. Specifically, HUD works with numerous stakeholders in providing HCV assistance to families, which, in addition to PHAs and private landlords, include:

- Other Federal Agencies, such as the Department of Veterans Affairs;
- State and local entities, such as Public Child Welfare Agencies;
- Housing Industry Associations;
- Homelessness service providers;
- Disability services providers; and
- Resident Groups.

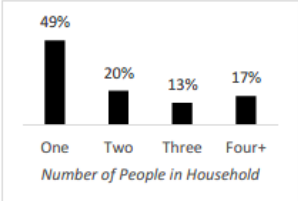
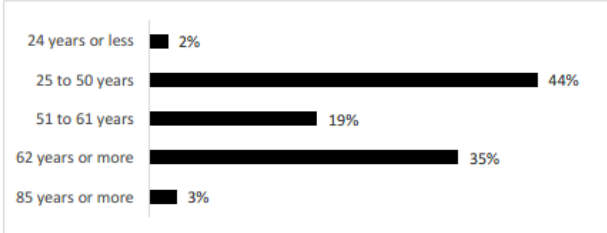
Operational Improvements

HUD continues to take steps to improve the operations of the voucher program, enhance systems, streamline requirements to reduce the administrative burden on PHAs and sustain its collaborative relationships with key program stakeholders. The continued implementation of HOTMA will provide PHAs with new flexibility that will enable them to reduce administrative burdens and redirect those resources to improve performance and services. HUD will assist PHAs in the implementation of the mandatory work requirements and time limits that HUD is proposing in this Budget by providing comprehensive guidance and technical assistance. HUD also will support PHAs in the implementation of the Qualified Citizens rule, ensuring that rental assistance is not provided to any ineligible non-citizen household members.

Further reducing PHA administrative burden will be the proposed prohibition on the issuance of new vouchers and execution of non-RAD PBV commitments. Under the President's 2027 Budget, PHAs will be prohibited throughout 2027 from issuing new turnover vouchers (with a few exceptions) and will be strongly encouraged to effectuate meaningful cost savings. HUD will be engaging in a series of administrative and regulatory actions to ensure that the HCV program achieves cost-savings, including by addressing excessive payment standards. HUD also is limiting the period of time by which a unit can be vacant to be eligible for tenant protection vouchers, reducing the overall need for TPVs.

¹ The Worst-Case Housing Needs: 2025 Report to Congress (<https://www.huduser.gov/portal/publications/Worst-Case-Housing-Needs-2025-Report-to-Congress.html>)

HUD also recently deployed the Enterprise Voucher Management System (eVMS), which is helping to automate the workflow process for fund allocation management, calculate the HAP funding requirement for each PHA and improve data stewardship. HUD will continue to enhance eVMS, including by expanding its use to Moving to Work PHAs. Additionally, HUD is working to update systems to facilitate full implementation of HOTMA for all PHAs.

Q1 2026 Housing Choice Voucher Tenant Characteristics												
<p>How many households and people are served?</p> <p>5.1 million people</p> <p>2.4 million households</p>	<p>What are the racial and ethnic characteristics of the people served?</p> <p>77% of the people served are in a racial or ethnic minority group.</p> <table border="1"> <thead> <tr> <th>Asian/Pacific Islander, non-Hispanic</th> <th>Black, non-Hispanic</th> <th>Hispanic</th> <th>Native American, non-Hispanic</th> <th>White, non-Hispanic</th> </tr> </thead> <tbody> <tr> <td>3%</td> <td>53%</td> <td>20%</td> <td>1%</td> <td>23%</td> </tr> </tbody> </table>	Asian/Pacific Islander, non-Hispanic	Black, non-Hispanic	Hispanic	Native American, non-Hispanic	White, non-Hispanic	3%	53%	20%	1%	23%	<p>What are the characteristics of the heads of household?</p> <p>Female headed families with children 32%</p> <p>Older Adults (62+) 35%</p> <p>People younger than 62 who have disabilities 22%</p>
Asian/Pacific Islander, non-Hispanic	Black, non-Hispanic	Hispanic	Native American, non-Hispanic	White, non-Hispanic								
3%	53%	20%	1%	23%								
<p>How big are the households?</p>  <p>Number of People in Household</p>	<p>How old are the heads of household?</p> 	<p>What is the share of rent paid by the tenant and HUD?</p> <p>Average household contribution: \$494</p> <p>Average HUD Contribution: \$1,165</p>										
<p>What are the income levels of assisted households?</p> <p>Assisted households have an average gross income of \$19,121.</p> <p>67% of households have incomes \$20,000 or less per year</p>		<p>How do household incomes compare to the local area median income?</p> <p>Extremely low income (less than 30% AMI) 79%</p> <p>Very low income (less than 50% AMI) 16%</p> <p>Low Income (50% to 80% AMI) 4%</p>										

Note: Some percentage totals not equal to 100 due to rounding. Missing values are excluded from reported percentages.
 Source: Households reported to HUD’s PIC system (via Form-50058; includes programs: CE, MR, VO, PR-MTW, T-MTW; excludes action types: port-outs, EoP, searching) as of 12/31/2025 with effective dates spanning the prior 18 months.

Information Technology

Enterprise Voucher Management System (eVMS): HUD continues to make progress toward modernizing its Information Technology (IT) systems to improve the administration of TBRA programs. In coordination with the Office of the Chief Information Officer and as part of the approved 2021 and 2022 PIH IT Performance Plan, PIH is developing a new system, the Enterprise Voucher Management System (eVMS), which will automate the calculation of funding and disbursements for most TBRA programs and associated Administrative Fees using household level data, enabling PIH to tie voucher payments directly to household level need calculations. The eVMS will also enable PIH to auto-reconcile housing assistance payment needs within two to three days for each PHA based on household-level changes (e.g., rent changes, move-ins, move-outs, portability) and consistent with case management requirements to calculate funding based on the established need. The eVMS will also provide substantial insight into voucher utilization, which will enhance HUD’s ability to promote leasing and will implement further financial controls required under the Payment Integrity and Information Act (PIIA) of 2019.

Information Management Systems/Public Housing Center (IMS/PIC) Development and Operational and Maintenance Support: HUD is renewing a commitment to the IMS/PIC to ensure that PHAs can successfully implement HOTMA and so that HUD can collect critical administrative data from MTW expansion PHAs. IMS/PIC is crucial to the day-to-day operations of the Public Housing and HCV programs and the accurate calculation of the applicable formulas. HUD is continuing to evaluate IMS/PIC to determine whether to transition to another platform or to further develop IMS/PIC for the future.

PIH Modernization Enterprise Income Verification System (EIV) (ongoing investment from prior year funding): HUD received funds to modernize the EIVS in the 2023 Budget. The EIV modernization is critical to two major HUD initiatives:

- 1) Achieving compliance with the Payment Integrity Information Act (PIIA) through reducing improper payments for HUD's TBRA and PBRA; and
- 2) Improving the life experiences of residents of HUD housing by automating/streamlining these households and individuals' ability to obtain income verification documentation from the Social Security Administration (SSA) and other Federal agency partners. This will reduce the burden on these households and PHA staff that are responsible for verifying income and eligibility for HUD's rental assistance programs.

Through this modernization, HUD is exploring upgrades to the EIV and application programming interfaces (APIs) that will allow for building modern data exchanges with its Federal partners including SSA and the Office of Child Support Enforcement (OCSE) in the Department of Health and Human Services (HHS). This upgrade will allow for the real time, electronic sharing of income and certificate data provided by these entities, which will improve the ability of PHAs to validate income by reducing the temporal differences in income that occur today because data is only shared quarterly. This modernization will also allow PHAs, and households served by HUD programs (or those applying for HUD programs) to access this data electronically without having to walk into a SSA office.

PIH Data Warehouse (ongoing investment from prior year funding): PIH began work on modernizing its Data Warehouse in early fiscal year 2024 using prior year IT modernization appropriations. The PIH Data Warehouse effort is critical to PIH's oversight and operation of tens of billions worth of rental housing assistance subsidies. All data required to be submitted to PIH is stored in its Data Warehouse, which is nearly 20 years old, costly to maintain, and difficult to update.

Today, all funding and oversight processes such as Capital Fund and Operating Fund calculations and all PIH's data analytics, including dashboards for Public Housing and Voucher utilization, rely on this data. Modernizing the PIH Data Warehouse will allow PIH to better share information across systems and result in the development of more robust data analytics evaluating the risk and performance of all PIH rental housing assistance programs, including predictive identification of troubled or near troubled PHAs, properties, and programs. This modernization effort will also move the PIH Data Warehouse to a Federal Risk and Authorization Management Program (FedRAMP) secure cloud-based environment which is much less costly for storing data.

TENANT-BASED RENTAL ASSISTANCE (TBRA)

HUDCAPS Section 8 Disbursement Capability and Pilot (ongoing investment from prior year funding): PIH also began work on developing a capability to remove disbursements of Housing Assistance Payments (HAP) and Administrative Fees (Admin Fees) from the HUD Central Accounting and Program System (HUDCAPS)--an approximately 20-year-old mainframe programmatic and financial accounting system used to disburse and capture accounting transactions for TBRA programs. HUDCAPS is both very costly to maintain and very cumbersome to use for the disbursement and tracking of HAP and Admin Fees. Considering those payments to PHAs (transmitted on behalf of households to owners/landlords) are disbursed from HUDCAPS, any performance issues would substantially disrupt the TBRA program and could have an adverse impact on owner/landlord recruitment and retention.

PIH is working with its partners in OCIO and the Office of Chief Financial Officer to demonstrate the ability to make TBRA disbursements to PHAs in a new, secure, cloud-based application other than HUDCAPS. This capability will also accurately capture accounting transactions and interface these transactions with HUD's General Ledger, which should help during future audit preparation and in the tracking of repayments. Additionally, this HUDCAPS capability will be integrated with the eVMS, creating a full lifecycle for the calculation, disbursement and accounting of HUD's largest program, TBRA. Once this disbursement capability is developed for a pilot group of PHAs it will be scaled nationally to the full universe of PHAs participating in TBRA programs.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Adjustments	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Adjustments	2026 Total Resources	2027 President's Budget
Section 8 Contract Renewals	32,145,124	799,300	144,000	33,088,424	32,565,719	34,957,000	522,721	166,284	35,646,005	35,565,000
<i>Renewal Set-Aside [Non-Add]</i>	200,000	194,281	-	394,281	179,377	400,000	200,826	50,000	650,826	200,000
<i>Advanced Appropriations from last Fiscal Year [Non-Add]</i>	4,000,000	-	-	4,000,000	4,000,000	4,000,000	-	-	4,000,000	4,000,000
<i>Advance Appropriations for next Fiscal Year [Non-Add]</i>	4,000,000	-	-	4,000,000	-	4,000,000	-	-	4,000,000	4,000,000
<i>Tribal HUD-VASH [Non-Add]</i>	7,500	9,969	-	17,469	9,295	-	8,173	-	8,173	-
<i>Classified as Emergency/Disaster [Non-Add]</i>	6,000,000	6,201	-	6,006,201	6,006,006	-	195	-	195	-
<i>Mainstream 811 Voucher Renewals [Non-Add]</i>	-	-	-	-	-	-	-	-	-	-
Section 8 Rental Assistance (Tenant Protection Vouchers)	337,000	359,007	(124,000)	572,007	324,578	600,622	247,391	(150,100)	697,913	300,000
<i>Set-Aside - Tenant Protection Assistance Low Vacancy [Non-Add]</i>	-	-	-	-	-	-	-	-	-	-
Administrative Fees	2,770,935	439,284	(26,000)	3,184,219	2,945,119	2,835,935	239,100	(20,000)	3,055,035	2,951,000
<i>Set-Aside - Assistance to PHAs [Non-Add]</i>	30,000	43,149	-	73,149	3,728	30,000	55,217	-	85,217	30,000
Mainstream 811 Voucher Renewals	742,941	142,889	30,000	915,830	769,638	-	146,191	-	146,191	-
HUD-VASH	15,000	69,878	-	84,878	40,071	15,000	44,806	-	59,806	-
Mobility-Related Social Services	-	490	-	490	-	-	490	-	490	-
New Incremental Vouchers	-	1,088	-	1,088	-	-	1,088	(1,088)	-	-
Family Unification Program (FUP) Vouchers	30,000	54,264	(25,000)	59,264	36,271	30,000	22,994	-	52,994	30,000
FSS Coordinator	-	26	-	26	-	-	26	-	26	-
Mobility Demonstration	-	5,031	-	5,031	-	-	5,031	(5,031)	-	-
Homelessness and Domestic Violence	-	165	-	165	-	-	165	(165)	-	-
Rental Assistance Demonstration (Section 202)	-	-	-	-	-	-	-	2,000	2,000	-
Rental Assistance Demonstration (Public Housing)	-	14,627	31,000	45,627	30,662	-	15,230	45,000	60,230	-
Administrative Fees - (CARES Act)	-	165	-	165	-	-	165	-	165	-
Emergency Housing Vouchers (ARP Act)	-	1,559,631	-	1,559,631	1,539,629	-	20,002	-	20,002	-
Administrative Fees (ARP Act)	-	120,223	-	120,223	110,223	-	10,000	-	10,000	-
Allocation Adjustment (ARP Act)	-	-	-	-	-	-	-	-	-	-
Contract Renewal (ARP Act)	-	-	-	-	-	-	-	-	-	-
Total	36,041,000	3,566,068	30,000	39,637,068	38,361,910	38,438,557	1,275,400	36,900	39,750,857	38,846,000

a/ 2025 Appropriation designates \$6 billion of the TBRA Contract Renewal appropriation as an emergency requirement.

- b/ 2025 Carryover includes \$4.5 million in recaptured prior year unpaid obligations and \$1.7 billion in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.
- c/ 2025 Total Resources include: (1) Transfers of \$31 million transferred from the Public Housing Fund and \$1 million transferred to the Project-Based Rental Assistance accounts for the purpose of Rental Assistance Demonstration (RAD) conversions. (2) Operating Plan realignment of a net zero amount that realigned \$144 million to contract TBRA Contract Renewal.
- d/ 2026 Carryover includes \$30 million in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.
- e/ 2026 Total Resources include: (1) Transfers of an estimated \$45 million transferred from the Public Housing Fund, \$2 million transferred from the Housing for the Elderly account and \$10 million transferred to the Project-Base Rental Assistance account for the purpose of Rental Assistance Demonstration (RAD) conversions. (2) Internal shortfall realignment of a net zero amount that realigned \$166.3 million to contract TBRA Contract Renewal.
- f/ 2027 Transfers include an estimated \$40 million transferred from the Public Housing Fund and \$2 million transferred from the Housing for the Elderly account for the purpose of Rental Assistance Demonstration (RAD) conversions.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

Appropriations Language Changes

The 2027 President's Budget includes the following new proposals:

- Prohibition against issuance of new housing vouchers: The 2027 Budget proposes to prohibit public housing agencies from issuing any new housing vouchers in 2027, including by entering into new project-based voucher (PBV) commitments. HUD-VASH vouchers and Family Unification Program vouchers (including Melania Trump FYI vouchers), as well as vouchers to lease existing PBV units or to execute new RAD PBV commitments are exempted from the prohibition.
- Eliminate several categories of eligibility under the \$200 million HAP set-aside: Under the proposed HAP set aside, eligible PHAs may receive funding adjustments for costs associated with HUD-VASH vouchers and to prevent terminations of assistance. All other set-aside categories are eliminated.
- Reduce TPV eligibility: Restrict replacement TPV eligibility to units occupied in the previous 12 months, rather than 24 months.
- Changes to the Family Unification Program: Changes include a clarification of the eligibility age for foster youth and new provisos authorizing HUD to recapture and reallocate FUP budget authority from agencies that no longer have an identified need for the assistance.
- Deletion of MTW single-fund exclusion from renewal funding offset: Deletion of language excluding amounts subject to the single fund budget authority in MTW agreements with PHAs from the excess reserve offset for 2027 renewal funding allocations.
- Authority to repurpose TBRA carryover to avoid or reduce proration and to prevent terminations of assistance: Addition of proviso authorizing the Secretary to repurpose unobligated balances, including recaptures and carryover, remaining from prior year TBRA appropriations to avoid or reduce the proration of renewal funding allocations and to prevent terminations of assistance.
- Eliminate one category of eligibility under the TPV set aside: Under the \$5 million TPV set aside, eligibility will be limited to instances where (a) there is a maturing HUD-insured, HUD-held, or Section 202 loan that requires the Secretary's permission to proceed with loan repayment; and (b) there are expiring affordability restrictions accompanying a mortgage or preservation program administered by the Secretary.

General Provisions

The 2027 President's Budget proposes the following general provisions:

- Assistance for Students at Institutions of Higher Education: This provision clarifies the eligibility for assistance under section 8 of the United States Housing Act of 1937. (Sec. 205)
- PHA Executive Compensation: This provision establishes a cap on PHA personnel compensation tied to the Federal Executive Schedule pay scale. (Sec. 213)
- Moving to Work Flexibilities: This provision allows public housing agencies designated as Moving to Work agencies to use pre-designation housing choice voucher and public housing funds, including reserves, consistent with the Moving to Work authorities. (Sec. 217)
- Rental Assistance Demonstration: This provision removes the limit on number of units that may convert assistance under the First Component of RAD. (Sec. 218)
- Waivers for Vouchers: This provision allows PHAs greater flexibilities in leasing their Mainstream, Family Unification, and Melania Trump Foster Youth to Independence vouchers. (Sec. 221)
- Work Requirements and Time Limits: This provision gives the Secretary permanent authority to require PHAs and multifamily property owners to implement work requirements and time limits for assisted families other than those who fall into an exempted category, for example due to their age or status as a disabled individual. (Sec. 232)
- Improving PHA Performance: This provision gives greater authority to the Secretary to require PHAs with poor performance to enter into recovery agreements with HUD designed to improve property conditions and financial management. (Sec. 233)
- The Melania Trump Foster Youth to Independence Initiative: This provision permanently renames the Foster Youth to Independence program to the Melania Trump Foster Youth to Independence Initiative. (Sec. 237)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (in this title "the Act"), not otherwise provided for, \$34,846,000,000, to remain available until expended, which shall be available on October 1, 2026 (in addition to the \$4,000,000,000 previously appropriated under this heading that shall be available on October 1, 2026), and \$4,000,000,000, to remain available until expended, which shall be available on October 1, 2027: Provided, That of the sums appropriated under this heading—

(1) \$35,565,000,000 shall be available for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act) and including renewal of other special purpose incremental vouchers: Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph and any carryover, the Secretary for the calendar year 2027 funding cycle shall provide renewal funding for each public housing agency based on validated voucher management system (VMS) or successor system leasing and cost data for the prior calendar year and by applying an inflation factor as established by the Secretary, by notice published in the Federal Register, and by making any necessary adjustments for the costs associated with the first-time renewal of vouchers under this paragraph including tenant protection and Choice Neighborhoods

vouchers: Provided further, That none of the funds provided under this paragraph may be used to fund a total number of unit months under lease which exceeds a public housing agency's authorized level of units under contract, except for public housing agencies participating in the Moving to Work (MTW) demonstration, which are instead governed in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any: Provided further, That the Secretary shall, to the extent necessary to stay within the amount specified under this paragraph (except as otherwise modified under this paragraph), prorate each public housing agency's allocation otherwise established pursuant to this paragraph: Provided further, That except as provided in the following provisos, the entire amount specified under this paragraph (except as otherwise modified under this paragraph) shall be obligated to the public housing agencies based on the allocation and pro rata method described above: Provided further, That public housing agencies participating in the MTW demonstration shall be funded in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any, and shall be subject to the same pro rata adjustments under the preceding provisos: Provided further, That the Secretary may perform a statutory offset of public housing agencies' calendar year 2027 allocations based on the excess amounts of public housing agencies' net restricted assets accounts, including HUD-held programmatic reserves (in accordance with VMS or successor system data in calendar year 2026 that is verifiable and complete), as determined by the Secretary: Provided further, That public housing agencies participating in the MTW demonstration shall also be subject to the statutory offset, as determined by the Secretary, from the agencies' calendar year 2027 MTW funding allocation: Provided further, That the Secretary shall use any offset referred to in the preceding two provisos throughout the calendar year to prevent the termination of rental assistance for families as the result of insufficient funding, as determined by the Secretary, and to avoid or reduce the proration of renewal funding allocations: Provided further, That the Secretary may utilize unobligated balances, including recaptures and carryover, remaining from amounts made available under this heading in prior Acts, notwithstanding the purposes for which such amounts were appropriated, to prevent the termination of rental assistance for families as the result of insufficient funding and to avoid or reduce the proration of renewal funding allocations: Provided further, That a public housing agency, including those participating in the MTW demonstration, may not use amounts provided by the Secretary under this paragraph in this or prior Acts to issue any new vouchers or otherwise assist new families, including by entering into new project-based voucher (PBV) commitments, except that a public housing agency may issue vouchers for HUD Veterans Affairs Supportive Housing (HUD-VASH) and the family unification program (including the Foster Youth to Independence program), and may continue to lease units under a project-based voucher contract and execute new Rental Assistance Demonstration PBV commitments: Provided further, That the Secretary of Housing and Urban Development may waive, or specify alternative requirements for (in consultation with the Secretary of the Department of Veterans Affairs), any provision of any statute or regulation that the Secretary of Housing and Urban Development administers in connection with the use of funds made available under this paragraph for the renewal of HUD-VASH vouchers (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such voucher assistance: Provided further, That amounts repurposed under this heading that were previously designated by the Congress as an emergency requirements pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985 are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That up to \$200,000,000 shall be available only:

(A) for adjustments for costs associated with HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers; and

(B) for public housing agencies that, despite taking reasonable cost savings measures as determined by the Secretary, would otherwise be required to terminate rental assistance for families as a result of insufficient funding:

Provided further, That the Secretary shall allocate such amounts under the preceding proviso based on need, as determined by the Secretary;

(2) \$300,000,000 shall be available for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to section 18 of the Act, conversion of section 23 projects to assistance under section 8, relocation of witnesses (including victims of violent crimes) in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, Choice Neighborhood vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance or for project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106-569, as amended, or under the authority as provided under this Act: Provided, That the Secretary may repurpose amounts made available under this paragraph to utilize such amounts to prevent the termination of rental assistance for families as the result of insufficient funding and to avoid or reduce the proration of renewal funding allocations under paragraph (1) under this heading: Provided further, That when a public housing development is submitted for demolition or disposition under section 18 of the Act, the Secretary may provide section 8 rental assistance when the units pose an imminent health and safety risk to residents: Provided further, That the Secretary may provide section 8 rental assistance from amounts made available under this paragraph for units assisted under a project-based subsidy contract funded under the "Project-Based Rental Assistance" heading under this title where the owner has received a Notice of Default and the units pose an imminent health and safety risk to residents: Provided further, That of the amounts made available under this paragraph, no less than \$5,000,000 may be available to provide tenant protection assistance, not otherwise provided under this paragraph, to residents residing in low vacancy areas and who may have to pay rents greater than 30 percent of household income, as the result of: (A) the maturity of a HUD-insured, HUD-held or section 202 loan that requires the permission of the Secretary prior to loan prepayment; or (B) the expiration of affordability restrictions accompanying a mortgage or preservation program administered by the Secretary: Provided further, That such tenant protection assistance made available under the preceding proviso may be provided under the authority of section 8(t) or section 8(o)(13) of the Act: Provided further, That any tenant protection voucher made available from amounts under this paragraph shall not be reissued by any public housing agency, except the replacement vouchers as defined by the Secretary by notice, when the initial family that received any such voucher no longer receives such voucher, and the authority for any public housing agency to issue any such voucher shall cease to exist: Provided further, That the Secretary may only provide replacement vouchers for units that were occupied within the previous 12 months that cease to be available as assisted housing, subject only to the availability of funds;

(3) \$2,951,000,000 shall be available for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$30,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, including fees associated with section 8 tenant protection rental assistance, HUD—VASH vouchers, and other special purpose incremental vouchers: Provided, That no less than \$2,921,000,000 of the amount provided in this paragraph shall be allocated to public housing agencies for the calendar year 2027 funding cycle based on section 8(q) of the Act (and related appropriation Act provisions) as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105-276): Provided further, That if the amounts made available under this paragraph are insufficient to pay the amounts determined under the

preceding proviso, the Secretary may decrease the amounts allocated to agencies by a uniform percentage applicable to all agencies receiving funding under this paragraph or may, to the extent necessary to provide full payment of amounts determined under the preceding proviso, utilize unobligated balances, including recaptures and carryover, remaining from funds appropriated under this heading from prior fiscal years, excluding special purpose vouchers, notwithstanding the purposes for which such amounts were appropriated: Provided further, That all public housing agencies participating in the MTW demonstration shall be funded in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any, and shall be subject to the same uniform percentage decrease as under the preceding proviso: Provided further, That amounts provided under this paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities;

(4) \$30,000,000 shall be available for the family unification program as authorized under section 8(x) of the Act: Provided, That the amounts made available under this paragraph shall be available for new incremental voucher assistance for the Melania Trump Foster Youth to Independence Initiative to assist eligible youth who have attained at least 18 years of age and not more than 24 years of age and who have left foster care, or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act [42 U.S.C. 675(5)(H)], and are homeless or are at risk of becoming homeless, notwithstanding section 8(x)(2) of the Act, which shall continue to remain available for such eligible youth upon turnover: Provided further, That the Secretary shall review utilization of assistance originating from appropriations made available for the under this heading or any prior Act that the Secretary made available on a competitive or noncompetitive basis, at an interval to be determined by the Secretary, and unutilized voucher assistance that is no longer needed based on such review shall be recaptured by the Secretary and reallocated on a noncompetitive basis:

(5) the Secretary shall separately track all special purpose vouchers funded under this heading.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Public Housing Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	8,810,784	754,909	-	(48,836)	9,516,857	8,620,121	8,905,696
2026 Appropriation	8,319,393	894,959	-	(58,000)	9,156,352	8,259,000	7,440,000
2027 President's Budget	8,622,000	895,000	-	(60,000)	9,457,000	8,562,000	8,959,000
Change from 2026	302,607	41	-	(2,000)	300,648	303,000	1,519,000

a/ 2025 Total Resources is net of \$49 million in actual transfers for subsidy payments for units converting under the Rental Assistance Demonstration (RAD).

b/ 2026 Total Resources is net of \$60 million estimated to be transferred for RAD and \$2 million in unobligated balances transferred from the Lead Hazard

Reduction account in accordance with the 2026 Appropriations Act (P.L. 119-75)

c/ 2027 Total Resources is net of \$60 million estimated to be transferred for RAD.

PROGRAM PURPOSE

The Public Housing Fund supports the Public Housing program by providing Federal grants necessary for Public Housing Agencies (PHAs) to operate, maintain, preserve, and make capital improvements to approximately 860,000 affordable public housing units. Public Housing serves over 1.5 million residents, over 70 percent of whom are extremely low-income. The public housing stock serves an important role in the housing market, ensuring housing for some of the Nation's most vulnerable families. Local administration of Federal grant funds allows communities the flexibility to tailor public housing to suit local needs, including establishing admission preferences for the elderly, disabled, and homeless persons, as well as the working poor.

BUDGET OVERVIEW

The 2027 President's Budget requests \$8.6 billion for the Public Housing Fund, which is \$303 million above the 2026 Enacted level. The Budget supports the following activities:

- \$5.4 billion for Operating Fund grants;
- \$3.2 billion for Capital Fund Formula grants;
- \$20 million for Emergency and Disaster grants;
- \$10 million for Emergency Safety and Security grants; and
- \$15 million for Receivership, Troubled and High-Risk PHAs grants.

JUSTIFICATION

The Public Housing Fund provides payments to about 2,700 PHAs for the operation, management, maintenance, preservation, and capital needs of publicly owned affordable rental housing throughout the United States and its Territories. The Public Housing Fund is primarily allocated as grants to support operations awarded pursuant to Section 9(e) of the United States Housing Act of 1937 and grants to support capital needs awarded pursuant to Section 9(d) of the Act.

Regular capital investments, ongoing maintenance efforts, and strategic funding made available to promote safety, reduce crime, and respond to emergencies and natural disasters enable program success. The Public Housing program serves to ensure that HUD and PHAs are meeting the important goal of providing a healthy and safe living environment to families living in public housing. For these families, public housing offers an affordable, stable platform to access other resources and support to improve economic self-sufficiency.

There remains a substantial capital repair and replacement need of the public housing stock. The unaddressed capital needs of public housing properties can lead to unsafe conditions for residents and the surrounding neighborhoods. Repositioning public housing assistance to other platforms, such as tenant-based rental assistance, is a proven strategy to preserve affordable housing by leveraging other sources of financing and reducing regulatory burdens that contribute to higher costs.

Public Housing capital and operating grants remain essential to achieving HUD's goals relating to repositioning and preventing further deterioration of affordable housing within the public housing portfolio. These funds are instrumental in successful repositioning from public housing through Section 18 removals and RAD conversions.

Grants Awarded for Operations

The Budget proposes operating grants in the amount of \$5.4 billion. Public Housing operating grants are the only dedicated Federal resource available to PHAs to operate and maintain the Nation's public housing stock. PHA eligibility for an operating grant is based on the Operating Fund formula established through negotiated rulemaking in 2007 and codified at 24 CFR 990. This funding covers day-to-day operational expenses associated with public housing and program implementation expenses that PHAs are required to undertake under Section 9(e) of the U.S. Housing Act of 1937 and existing program regulations.

These expenses include but are not limited to the following activities.

Public Housing Operation

- Management and operations, including staff costs;
- Operating costs for privately owned public housing units in mixed-finance projects;
- Routine and preventative maintenance;
- Anti-crime, anti-drug, and security activities;
- Utility costs;
- Resident supportive services and support coordinators, as well as staff and resident participation activities; and
- Insurance.

Public Housing Program Implementation

- Recertifications of income and household composition;
- Timely rent collection;
- Submission of annual unaudited and audited financial statements to HUD;
- Asset management over the physical and financial integrity of the program;
- PHA self-inspections of public housing units;
- Planning for the long-term capital needs to maintain the viability of PHA properties; and
- Debt service incurred to finance unit rehabilitation and development.

Funding at this level is projected to be sufficient to cover 100 percent of public housing operating expenses. When paired with existing program reserves, HUD estimates that funding at this level will ensure that there are sufficient resources at every PHA to maintain current service levels.

TABLE 1: 2026 OPERATING FUND ELIGIBILITY

2027 OPERATING FUND BUDGET					
#	Description	Actual FY 2024	Actual FY 2025	Estimate FY 2026	Estimate FY 2027
1	Non Utility Expense Level (PEL)	5,567,454,981	5,639,892,742	5,721,639,689	5,747,639,523
2	Utilities	1,923,844,975	1,689,285,231	1,733,314,511	1,705,382,788
3	Less: Tenant Income	-3,202,832,473	-3,437,030,194	-3,552,994,924	-3,654,900,796
4	Public Housing Operating Fund Base (line 1-3)	4,288,467,483.00	3,892,147,779.00	3,901,959,276.86	3,798,121,514.19
5	MTW Alternative Formula Grant, PHA's not in Base	601,955,893	605,361,538	638,675,202	677,634,389
6	Public Housing Add-ons				
7	Elderly/Disabled Coordinators	14,953,932	15,466,742	15,868,877	16,281,468
8	Resident Participation	19,713,825	19,324,700	19,108,127	18,708,535
9	Energy-Add On for Loan Amortization	39,098,562	39,842,781	40,878,693	41,941,539
10	Payments in Lieu of Taxes	150,437,770	164,491,817	168,768,604	173,156,588
11	Cost of Independent Audit	26,462,614	27,976,350	28,703,735	29,450,032
12	Asset Management Fee	30,758,428	30,213,076	29,874,477	29,249,737
13	Information Technology Fee	20,743,502	20,349,860	20,121,798	19,701,008
14	Asset Repositioning Fee	88,082,148	75,625,659	77,591,926	79,609,316
15	Mutual Help and Turnkey Units	0	6,500	6,500	6,500
16	Estimated Appeals	0	265,000,000	400,000,000	400,000,000
17	Stop Loss	113,174,620	110,134,404	108,900,123	106,622,786
18	Subtotal: Operating Fund Base (line 4-19)	5,393,848,777.00	5,265,941,206.00	5,450,457,339.10	5,390,483,412.14

Grants Awarded for Capital Needs

The Budget proposes capital fund grants in the amount of \$3.2 billion. Public Housing Capital Fund Formula Grants are the primary source of funding for public housing rehabilitation. More than half of the Nation's approximately 860,000-unit public housing stock was constructed prior to 1970, with some as early as 1936. As a result, some units require significant rehabilitation to return them to a condition that is safe, decent, and sustainable.

Eligible uses of capital grants include, but are not limited to:

- Addressing deferred maintenance needs;
- Financing and rehabilitation activities;
- Vacancy reduction;
- Resident relocation;
- Resident security and safety activities;
- Homeownership activities;
- Integrated utility management and energy-saving measures; and
- Debt service.

Public Housing capital grants are essential to improving the quality of public housing, increasing occupancy in public housing, leveraging Federal resources, and increasing the supply of affordable housing.

PHAs cannot meet their needs by using only Federal funds and must leverage outside investment. The Rental Assistance Demonstration (RAD), the Capital Fund Financing Program (CFFP), and the Mixed-Finance Initiative all help to achieve this goal. HUD has approved \$5.3 billion through 249 CFFP transactions using loan and bond financing to date. RAD conversions provide PHAs the ability to access other sources of funds. PHAs have been able to raise over \$18 in other funds for every dollar of public housing funds, resulting in over \$26 billion for capital repairs and construction. These projects continue to access private markets and other sources after RAD conversion.

The Department will continue to use its statutory authority under the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, as amended) to transfer amounts from the fiscal year 2027 Operating and Capital Fund grants appropriations to the Tenant-Based Rental Assistance (TBRA) and/or Project-Based Rental Assistance (PBRA) accounts to fund renewal costs for public housing units converting under RAD in the calendar year 2027.

Public Housing Grants for Emergencies and Natural Disasters

The Budget proposes \$20 million for grants to PHAs for capital needs arising from emergency situations or non-Presidentially declared natural disasters. (PHAs whose properties suffer damage because of Presidentially declared natural disasters are eligible to receive funding from the Federal Emergency Management Agency under the Robert T. Stafford Relief Act.) Examples of capital needs funded under grants for non-Presidentially declared disasters and other emergencies include plumbing replacement; sewer line replacement; foundation stabilization; heating, ventilation, and air conditioning (HVAC) replacement; fire alarm replacement; flood abatement and mold removal and repairs; boiler pipe replacement; and emergency window replacement.

The Emergencies and Natural Disasters grant program continues to be in high demand. In 2025, HUD awarded 100 percent of the \$20 million appropriated funds through 19 grants averaging over \$1 million per grant award. The vast majority of grant awards fund small PHAs in need with 75 percent of grants going to small PHAs in 2025. This includes emergency grants awarded for asbestos removal, sanitary sewer backups, major electrical component failures, elevator failure in elderly high rise, black mold issues, fire alarm system failure including emergency escape ladder replacement, and brick façade failure.

Public Housing Grants for Safety and Security Needs

The Budget proposes \$10 million for grants to PHAs to address crime and drug-related activity to provide for the safety of public housing residents. The grants for emergency safety and security (ESSG) needs are used to install, repair, or replace capital needs items, including security systems, fencing, lighting systems, emergency alarm systems, window bars, deadbolt locks, and doors. The purchase and installation of carbon monoxide detectors and fire safety devices may also continue to be an eligible activity, depending on determination of outstanding need. The ESSG program continues to be in high demand and is oversubscribed by over 250 percent. In 2025, the \$10 million in available ESSG funds generated 184 applications with a total request of \$36.2 million. HUD uses a random lottery system to distribute awards throughout all 10 HUD regions. Additionally, about half (45 percent) of the grant awards went to small PHAs in 2025. Of the 56 grants awarded in 2025, about 70 percent of grants are for crime remediation and the remaining 30 percent are used to remediate emergency fire and smoke alarm systems.

Receivership, Troubled and High-Risk PHAs

The Budget proposes \$15 million to support HUD's efforts to reform and improve PHAs that are categorized as receivership, possession, troubled, high-risk, or monitorship status. The funding will address deteriorated physical conditions of public housing through the following:

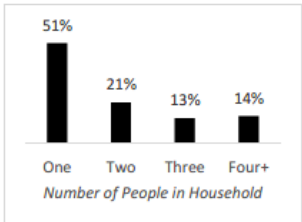

- Activities related to recovery from and prevention of receivership;
- Grants for costs associated with recapitalization, transformation, and preservation of affordable housing assets for troubled and high-risk PHAs;
- Grants to address deteriorated physical conditions to prevent high-risk and troubled PHAs from entering into receivership and preserve affordable housing for the future; and
- Activities related to technical assistance and administrative costs that enable HUD and receivership PHAs to build capacity, conduct assessments and develop recapitalization strategies for PHAs whose deep capital needs pose financial and operational risks to the Agency.

The proposed funding levels will enforce life-safety standards, oversee failing housing authorities, and ensure financial accountability. It will provide direct oversight identifying and rooting out fraud, waste, abuse of financing, and neglect of physical properties. This critical funding is required to prevent irreparable harm to residents and HUD's mission and restore critical oversight capabilities. It enables HUD to support housing agencies that are in Receivership or make grants to PHAs identified as High Risk, Substandard, or Troubled to improve the physical condition of public housing units.

In 2025, performance scoring under the Public Housing Assessment System (PHAS) identified over 600 troubled and substandard PHAs. The number of agencies trending toward substandard performance continues to increase yearly due to aging housing stock, backlogged capital repairs, and other operational challenges. Further, as evidenced by REAC financial and physical data, there are 864 developments with approximately 266,000 units in poor physical condition where the PHA may not have resources to address physical needs. The data also identifies 650 developments representing 114,859 units with a limited remaining useful life with failing or decreasing physical scores. To address the collective needs of these agencies, HUD is working with PHAs to evaluate the on-the-ground challenges, provide technical assistance to PHAs to focus capital investments, and address operational inefficiencies.

Public Housing Resident Characteristics

Currently, the Public Housing program serves families with an average household income of approximately \$19,469. Extremely low-income families (families earning less than 30 percent of an area's median income) make up approximately 74 percent of public housing households. Approximately 67 percent of public housing households have annual incomes of \$20,000 or less. Almost one third earn wages as a major source of income. Over half of the households receive fixed incomes; 55 percent of public housing households are elderly and person with disabilities and over one-third (30 percent) of all households served include children. The average household contributes \$433 a month toward rent and utilities. The chart below provides the demographics of public housing residents as of June 30, 2025.

Q1 2026 Public Housing Tenant Characteristics																								
<p>How many households and people are served?</p> <p>1.5 million people</p> <p>747 thousand households</p>	<p>What are the racial and ethnic characteristics of the people served?</p> <p>76% of the people served are in a racial or ethnic minority group.</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="font-size: small;"><i>Asian/Pacific Islander, non-Hispanic</i></th> <th style="font-size: small;"><i>Black, non-Hispanic</i></th> <th style="font-size: small;"><i>Hispanic</i></th> <th style="font-size: small;"><i>Native American, non-Hispanic</i></th> <th style="font-size: small;"><i>White, non-Hispanic</i></th> </tr> </thead> <tbody> <tr> <td>3%</td> <td>44%</td> <td>28%</td> <td>1%</td> <td>24%</td> </tr> </tbody> </table>	<i>Asian/Pacific Islander, non-Hispanic</i>	<i>Black, non-Hispanic</i>	<i>Hispanic</i>	<i>Native American, non-Hispanic</i>	<i>White, non-Hispanic</i>	3%	44%	28%	1%	24%	<p>What are the characteristics of the heads of household?</p> <p>Female headed families with children 30%</p> <p>Older Adults (62+) 38%</p> <p>People younger than 62 who have disabilities 17%</p>												
<i>Asian/Pacific Islander, non-Hispanic</i>	<i>Black, non-Hispanic</i>	<i>Hispanic</i>	<i>Native American, non-Hispanic</i>	<i>White, non-Hispanic</i>																				
3%	44%	28%	1%	24%																				
<p>How big are the households?</p>  <table border="1" style="width: 100%; text-align: center; font-size: small;"> <thead> <tr> <th>Number of People in Household</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>51%</td> </tr> <tr> <td>Two</td> <td>21%</td> </tr> <tr> <td>Three</td> <td>13%</td> </tr> <tr> <td>Four+</td> <td>14%</td> </tr> </tbody> </table>	Number of People in Household	Percentage	One	51%	Two	21%	Three	13%	Four+	14%	<p>How old are the heads of household?</p>  <table border="1" style="width: 100%; text-align: center; font-size: small;"> <thead> <tr> <th>Age Group</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>24 years or less</td> <td>4%</td> </tr> <tr> <td>25 to 50 years</td> <td>40%</td> </tr> <tr> <td>51 to 61 years</td> <td>18%</td> </tr> <tr> <td>62 years or more</td> <td>38%</td> </tr> <tr> <td>85 years or more</td> <td>3%</td> </tr> </tbody> </table>	Age Group	Percentage	24 years or less	4%	25 to 50 years	40%	51 to 61 years	18%	62 years or more	38%	85 years or more	3%	<p>What is the share of rent paid by the tenant and HUD?</p> <p>Average household contribution: \$439</p> <p>Average HUD Contribution: \$855</p>
Number of People in Household	Percentage																							
One	51%																							
Two	21%																							
Three	13%																							
Four+	14%																							
Age Group	Percentage																							
24 years or less	4%																							
25 to 50 years	40%																							
51 to 61 years	18%																							
62 years or more	38%																							
85 years or more	3%																							
<p>What are the income levels of assisted households?</p> <p>Assisted households have an average gross income of \$19,736. 67% of households have incomes of \$20,000 or less per year</p>		<p>How do household incomes compare to the local area median income?</p> <p>Extremely low income (less than 30% AMI) 74%</p> <p>Very low income (30% to 50% AMI) 17%</p> <p>Low Income (50% to 80% AMI) 7%</p>																						

Note: Some percentage totals not equal to 100 due to rounding. Missing values are excluded from reported percentages.
 Source: Households reported to HUD’s PIC system (via Form-50058) as of 12/31/2025 with effective dates spanning the prior 18 months.

Key Assumptions

HUD’s budget model forecasts Operating Fund eligibility. The budget model uses the most recent actual eligibility as the starting point. Inflation and other assumptions are applied to the Operating Fund Formula elements in the model to derive forecasted eligibility. As updated inflation or other data becomes available, the budget model is updated throughout the calendar year.

Stakeholders

The Public Housing program supports approximately 775,000 households, who are the primary stakeholders of the Public Housing Program. The Public Housing program relies on various industry stakeholders to effectively administer subsidized housing across the country. Specifically, HUD engages various entities to provide housing assistance, improve public housing structures, and improve quality of life for families, including:

- Public Housing Agencies;
- Other Federal Agencies, such as the Environmental Protection Agency;
- State and local entities;
- Construction Industry Firms;
- Housing Industry Associations; and
- Tenants and Resident Organizations.

Operational Improvements

The Public Housing Fund is committed to continuously identifying opportunities to improve efficiency and strengthen business processes. HUD deployed the Public Housing Portal (Portal) in 2017 and has continued to expand its functionality by adding new modules over time. With about a dozen modules currently in use, HUD is leveraging the Portal to automate numerous processes, reduce administrative burden, strengthen internal controls, and enhance program integrity. Recent enhancements include the Operating Fund SF-425, a PEL module which migrated the PEL from an external Microsoft Access database into the Portal, a Rate Reduction Incentive application module, updates to the EPC Inventory module that can be used to automatically populate the forthcoming EPC Savings Calculator module, and a PHA Plan module. In addition, we enhanced the Operating Subsidy Form submission module so that approximately two thirds of submissions are automatically approved, significantly reducing HUD staff time required to review PHA submissions.

Through updates to IMS-PIC to effectively implement HOTMA and accommodate reporting for MTW agencies, and new capabilities planned for the Public Housing Portal, HUD will continue modernizing key systems and improving operation of the Public Housing program. For additional information regarding HUD’s Information Technology investments, please see the Information Technology Fund justification.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Adjustments	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Adjustments	2026 Total Resources	2027 President's Budget
Public Housing Formula Grants (Operating Expenses)	5,475,784	669,448	(31,909)	6,113,323	5,350,967	4,687,393	762,125	(40,000)	5,409,518	5,377,000
Public Housing Formula Grants - Shortfall Prevention	25,000	3,824	-	28,824	454	337,000	28,370	-	365,370	-
Public Housing Formula Grants (Capital Expenses)	3,200,000	19,381	(16,927)	3,202,454	3,199,917	3,200,000	2,333	(20,000)	3,182,333	3,200,000
Emergency Disaster Grants	20,000	16,221	-	36,221	34,448	20,000	852	-	20,852	20,000
Set-Aside for Safety and Security Grants	10,000	749	-	10,749	11,293	10,000	377	-	10,377	10,000
Financial and Physical Assessment Support	-	31,452	-	31,452	8,104	-	22,006	-	22,006	-
Troubled At Risk PHAs	15,000	13,834	-	28,834	14,938	15,000	13,896	-	28,896	15,000
Housing Health Hazards	40,000	-	-	40,000	-	25,000	40,000	-	65,000	-
Lead-Based Hazards	25,000	-	-	25,000	-	25,000	25,000	2,000	52,000	-
Total	8,810,784	754,909	(48,836)	9,516,857	8,620,121	8,319,393	894,959	(58,000)	9,156,352	8,622,000

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

General Provisions

The 2027 President’s Budget proposes the following general provisions:

- **Small PHA Asset Management Exemptions:** This provision permits small PHAs with 400 or fewer units to elect not to operate under asset management. (Sec. 207)
- **Asset Management Requirements for Capital Funds:** This provision prohibits the Department from imposing requirements or guidelines related to asset management that restrict or limit the use of capital funds for PHAs’ central office/overhead costs. (Sec. 208)
- **PHA Executive Compensation:** This provision establishes a cap on PHA personnel compensation tied to the Federal Executive Schedule pay scale. (Sec. 213)

- Moving to Work Flexibilities: This provision allows public housing agencies designated as Moving to Work agencies to use pre-designation housing choice voucher and public housing funds, including reserves, consistent with the Moving to Work authorities. (Sec. 217)
- Rental Assistance Demonstration: This provision removes the limit on number of units that may convert assistance under the First Component of RAD. (Sec. 218)
- 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. 219)
- Full Flexibility for All PHAs: This provides full flexibility between Public Housing Operating Subsidy and Capital Formula Grants for all PHAs. (Sec. 228)
- Work Requirements and Time Limits: This provision gives the Secretary permanent authority to require PHAs and multifamily property owners to implement work requirements and time limits for assisted families other than those who fall into an exempted category, for example due to their age or status as a disabled individual. (Sec. 232)
- Improving PHA Performance: This provision gives greater authority to the Secretary to require PHAs with poor performance to enter into recovery agreements with HUD designed to improve property conditions and financial management. (Sec. 233)
- Prohibition on New Public Housing Units: This provision permanently prohibits the use of Public Housing Capital Funds to develop new public housing, except when developing through Section 35 Mixed Finance transactions, in which case no more than half of the original units that were demolished can be developed. (Sec. 234)
- Faircloth Limit: This provision updates the point in time from which public housing Faircloth Limits are calculated. (Sec. 236)

APPROPRIATIONS LANGUAGE

For 2027 payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937 (42 U.S.C. 1437g(e)) (the "Act"), and to carry out capital and management activities for public housing agencies, as authorized under section 9(d) of the Act (42 U.S.C. 1437g(d)), \$8,622,000,000, to remain available until September 30, 2030: Provided, That of the sums appropriated under this heading—

(1) \$5,377,000,000 shall be available for the Secretary to allocate pursuant to the Operating Fund formula at part 990 of title 24, Code of Federal Regulations, for 2027 payments;

(2) \$3,200,000,000 shall be available for the Secretary to allocate pursuant to the Capital Fund formula at section 905.400 of title 24, Code of Federal Regulations: Provided, That from the funds made available under this paragraph, the Secretary shall provide bonus awards in fiscal year 2027 to public housing agencies that are designated high performers: Provided further, That the Department shall notify public housing agencies of their formula allocation within 60 days of enactment of this Act;

(3) \$30,000,000 shall be available for the Secretary to make grants, notwithstanding section 201 of this title, to public housing agencies for emergency capital needs, including safety and security measures necessary to address crime and drug-related activity, as well as needs resulting from unforeseen or unpreventable emergencies and natural disasters excluding Presidentially declared emergencies and natural disasters under the Robert T. Stafford Disaster Relief and Emergency Act

(42 U.S.C. 5121 et seq.) occurring in fiscal year 2027: Provided, That of the amount made available under this paragraph, not less than \$10,000,000 shall be for safety and security measures: Provided further, That in addition to the amount in the preceding proviso for such safety and security measures, any amounts that remain available, after all applications received on or before September 30, 2028, for emergency capital needs have been processed, shall be allocated to public housing agencies for such safety and security measures; and

(4) \$15,000,000 shall be available to support the costs of administrative and judicial receiverships and for competitive grants to PHAs in receivership, designated troubled or substandard, or otherwise at risk, as determined by the Secretary, for costs associated with public housing asset improvement, in addition to other amounts for that purpose provided under any heading under this title:

Provided further, That notwithstanding any other provision of law or regulation, during fiscal year 2027, the Secretary of Housing and Urban Development may not delegate to any Department official other than the Deputy Secretary and the Assistant Secretary for Public and Indian Housing any authority under paragraph (2) of section 9(j) of the Act regarding the extension of the time periods under such section: Provided further, That for purposes of such section 9(j), the term "obligate" means, with respect to amounts, that the amounts are subject to a binding agreement that will result in outlays, immediately or in the future.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Public and Indian Housing
Assisted Housing Inspections and Risk Assessments (AHIRA)

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	50,000	37,018	-	-	87,018	52,801	13,549
2026 Appropriation	50,000	30,027	(22,000)	-	58,027	28,000	41,000
2027 President's Budget	25,000	30,000	-	-	55,000	50,000	43,000
Change from 2026	(25,000)	(27)	22,000	-	(3,027)	22,000	2,000

a/ P.L. 119-75 included the rescission of \$22 million of unobligated balances.

PROGRAM PURPOSE

The Assisted Housing Inspections and Risk Assessments (AHIRA) account supports residents of HUD housing by funding financial, physical, operational and other risk-based assessments across Public Housing, Multifamily Housing, FHA-insured Residential Health Care Facilities, and other HUD rental housing portfolios covered by the National Standards for the Physical Inspection of Real Estate (NSPIRE).

BUDGET OVERVIEW

The 2027 President's Budget requests \$25 million for the AHIRA Fund. The proposed funding levels will enforce life-safety standards, oversee failing housing authorities, and ensure financial accountability. This funding is consistent with the President's Management Agenda and the Administration's priorities. It will provide direct oversight identifying and rooting out fraud, waste, and abuse of financing for Public Housing and Multi-Family properties and address the neglect of physical properties for Public Housing, Multi-Family, and Housing Choice Vouchers properties. This funding prevents harm to residents; improves the physical condition of public housing units that are High Risk, Substandard, or Troubled; protects taxpayer dollars; and preserves affordable housing.

JUSTIFICATION

The 2027 President's Budget provides \$25 million to conduct up to 20,000 inspections under the NSPIRE program and complete financial assessments for 7,000 Public Housing properties and 30,000 Multifamily properties. This request also includes authority to increase the obligation period to 3 years to provide additional time to reallocate recaptured funding.

The Budget request supports an extensive array of critical activities integral to ensuring that taxpayer investment in housing programs is well-spent. These activities encompass a range of tasks, including performing, analyzing, scoring, and evaluating up to 20,000 inspections under the NSPIRE program for Public Housing and Multifamily programs; and financial assessments for approximately 7,000 Public Housing properties and 30,000 Multifamily properties.

The Budget also allows HUD to support program-related travel and technical training for inspectors and auditors that will ensure more consistent and higher-quality physical inspections and financial assessments. Complementing these efforts are quality assurance measures and risk-based follow-up reviews of inspections.

Key Assumptions

The President’s Budget funding level accounts for:

- Up to 20,000 physical inspections and support contracts for Public Housing and Multifamily properties in 2027;
- Rising inspection cost due to inspector shortages, inflation, and increased program requirements (e.g., additional training, professional conduct requirements);
- Increased inspection time due to increased unit sampling under NSPIRE; and
- Additional expertise in more complex physical standards and conditions.

Stakeholders

- Incorporating input from Public Housing Authorities, property owners, and residents into the policy-making process for assessments and to better ensure perspectives are considered.
- Engaging Public Health experts, code development organizations, manufacturing and industry representatives, environmental advocacy groups, and rental industry professionals among other external professionals.
- Cultivating partnerships with other Federal Agencies and external organizations (e.g., State and local governments) to stay abreast of technology improvements and data exchange opportunities to improve the health and safety of HUD housing.

Operational Improvements

HUD will continue to include regular feedback from housing providers, industry groups, public health advocates, residents, and other customers to align the organization around data-driven insights. The resident engagement and feedback results will help inform property oversight.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Assisted Housing Inspections and Risk Assessments	50,000	37,018	87,018	52,801	50,000	30,027	58,027	25,000
Total	50,000	37,018	87,018	52,801	50,000	30,027	58,027	25,000

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

The 2027 President’s Budget includes the following general provision:

- Physical Condition Requirements: This provision sets standards for the condition of all properties receiving HUD rental assistance. It also enhances HUD’s ability to exercise oversight, mandate corrective action, and change management of properties receiving tenant-based or project-based rental assistance. (Sec. 212)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For the Department's inspection and assessment programs, including travel, training, and program support contracts, \$25,000,000, to remain available until September 30, 2029.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Housing Certificate Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	-	3,000	-	-	3,000	3,000	-
2026 Appropriation	-	236	-	-	236	-	10,000
2027 President's Budget	-	-	-	-	-	-	-
Change from 2026	-	(236)	-	-	(236)	-	(10,000)

PROGRAM PURPOSE

The Housing Certificate Fund (HCF) is best described as a composite account. Prior to 2005, it funded contracts that are now administered in the Tenant-Based Rental Assistance (TBRA) and Project-Based Rental Assistance (PBRA) programs. Beginning in 2005, the account stopped receiving annual appropriations, and the TBRA and PBRA accounts were established. In 1998, some smaller accounts (including Annual Contributions for Assisted Housing) were absorbed by HCF, making it an even more eclectic mix. The HCF account also received recaptures of any undisbursed funds remaining on contracts at termination. Per the appropriations language, the recaptures were either cancelled or re-appropriated (depending on the source year). Eligible uses of HCF recaptures are PBRA contract renewals, amendments, and payments for contract administrators.

BUDGET OVERVIEW

The 2027 President's Budget requests no funding for the Housing Certificate Fund. The Budget for HCF reflects the use of anticipated carryover and recaptures. Continuing appropriations language for HCF provides that recaptures from source years 1975 through 1987 will be cancelled and an amount of new budget authority equal to the amount cancelled will be appropriated, and recaptures of contract authority originating in 1974 and prior will be cancelled. HUD anticipates using residual funding from the HCF account to supplement appropriations in the PBRA account. Given that only one original term Section 8 contract is still operating, the volume of HCF funds available to supplement 2027 PBRA appropriations is anticipated to be minimal.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024	2025 Adjustments	2025 Total Resources	2025 Obligations	2026 Appropriation	2025	2026 Total Resources	2027
		Carryover Into 2025					Carryover Into 2026		President's Budget
Housing Certificate Fund	-	3,000	-	3,000	3,000	-	236	236	-
Total	-	3,000	-	3,000	3,000	-	236	236	-

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

(INCLUDING CANCELLATIONS)

Unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading "Annual Contributions for Assisted Housing" and the heading "Project-Based Rental Assistance", for fiscal year 2027 and prior years may be used for renewal of or amendments to section 8 project-based contracts and for performance-based contract administrators, notwithstanding the purposes for which such funds were appropriated: Provided, That any obligated balances of contract authority from fiscal year 1974 and prior fiscal years that have been terminated are hereby permanently cancelled: Provided further, That amounts heretofore recaptured, or recaptured during the current fiscal year, from section 8 project-based contracts from source years fiscal year 1975 through fiscal year 1987 are hereby permanently cancelled, and an amount of additional new budget authority, equivalent to the amount permanently cancelled is hereby appropriated, to remain available until expended, for the purposes set forth under this heading, in addition to amounts otherwise available.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Choice Neighborhoods

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	75,000	1,000	-	-	76,000	1,000	180,000
2026 Appropriation	25,000	75,000	-	-	100,000	75,000	215,000
2027 President's Budget	-	25,000	-	-	25,000	25,000	222,000
Change from 2026	(25,000)	(50,000)	-	-	(75,000)	(50,000)	7,000

The 2027 President's Budget eliminates funding for the Choice Neighborhoods program, reducing spending by \$25 million compared to the 2026 Enacted level.

Choice Neighborhoods is a place-based grant program which helps communities develop and implement neighborhood plans to transform underserved neighborhoods. Grants are either planning grants, which develop a plan for transformation, or implementation grants, which are larger grants to implement those plans.

The 2027 Budget recognizes a greater role for State and local governments, the private sector, and nonprofits to address community and economic development needs in localities across the Nation. Thus, HUD will continue to seek ways to partner with these governmental and private entities to adopt policies and reduce regulatory barriers that would allow communities to transform neighborhoods and unleash the potential of their residents.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Choice Neighborhoods Grants	75,000	1,000	76,000	1,000	25,000	75,000	100,000	
Total	75,000	1,000	76,000	1,000	25,000	75,000	100,000	-

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Self-Sufficiency Programs

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	195,500	208,571	-	-	404,071	186,197	175,938
2026 Appropriation	206,400	217,874	-	-	424,274	219,000	209,000
2027 President's Budget	-	206,400	-	-	206,400	206,400	231,000
Change from 2026	(206,400)	(11,474)	-	-	(217,874)	(12,600)	22,000

The 2027 President's Budget eliminates funding for Self-Sufficiency Programs (SSP), reducing spending by \$206.4 million compared to the 2026 Enacted level.

The Family Self-Sufficiency (FSS), Jobs Plus, and Resident Opportunity and Self-Sufficiency (ROSS) programs provide funding for case management and service coordination, while also focusing on building employment skills, connecting residents to educational resources, health care, and other services.

The 2027 Budget recognizes a greater role for State and local governments, the private sector, and non-profits to address community and economic development needs in localities across the Nation. Thus, HUD will continue to seek ways to partner with these governmental and private entities to adopt policies and reduce regulatory barriers that would allow communities to transform neighborhoods and unleash the potential of their residents.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Family Self-Sufficiency	140,500	160,580	301,080	147,384	156,400	153,524	309,924	-
Jobs-Plus Initiative	15,000	6,587	21,587	-	10,000	21,587	31,587	-
Resident Opportunity and Self-Sufficiency	40,000	41,404	81,404	38,813	40,000	42,763	82,763	-
Total	195,500	208,571	404,071	186,197	206,400	217,874	424,274	-

a/ 2025 Carryover includes \$17.6 million in recaptures.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Native American Programs

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	1,344,000	247,692	-	(453)	1,591,239	1,348,167	1,375,000
2026 Appropriation	1,354,000	241,959	-	-	1,595,959	1,366,000	1,472,000
2027 President's Budget	887,000	229,959	-	-	1,116,959	1,114,000	1,295,000
Change from 2026	(467,000)	(12,000)	-	-	(479,000)	(252,000)	(177,000)

a/ 2024 carryover into 2025 includes \$246.245 million in carryover and \$1.446 million in recaptures of unexpired unobligated funds.

b/ In 2025, HUD transferred \$453 thousand to the Department of the Interior for a Tribe-specific P.L. 477 plan.

c/ In 2025, the program received a mandatory appropriation of \$626,087 for an upward re-estimate in Title VI, and obligated that same amount in 2025. This is not included in the table above.

d/ Carryover from 2025 into 2026 does not include \$955 thousand of Title VI and \$157 thousand of ICDBG-ARP funds that expired in 2025.

e/ Obligations in 2026 do not match MAX (which shows \$1.367 billion in obligations) because the table does not include a \$1 million obligation of mandatory appropriation from an upward re-estimate that is reflected in MAX.

f/ Net outlays reflect spending from the American Rescue Plan Act of 2021, P.L. 117-2, and outlays of any mandatory appropriation from an upward re-estimate.

PROGRAM PURPOSE

The Native American Programs encompass a set of grant and loan guarantee programs, including the Indian Housing Block Grant (IHBG), that provide critical resources to Tribal communities and ensure that Native Americans have access to housing and essential services.

BUDGET OVERVIEW

The 2027 President's Budget requests \$887 million for Native American Programs, which is \$467 million below the 2026 Enacted level. The Budget includes funding for the following activities:

- \$872 million for IHBG formula grants, with up to \$2 million to support formula allocation process;
- \$5 million for Indian Community Development Block Grant (ICDBG) program imminent threat grants;
- \$10 million to renew rental assistance and supportive services for homeless Tribal Veterans; and
- \$50 million in loan guarantee authority for the Title VI Loan Guarantee program, supported by unobligated credit subsidy carried over from prior years.

JUSTIFICATION

Tribal sovereignty and Tribal self-determination drive HUD's Indian housing programs. These principles are grounded in long-standing treaties, court decisions, statutes, Executive Orders, the U.S. Constitution, and the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), which allows Tribes to tailor their affordable housing programs to their own local needs.

In January 2017, HUD published *Housing Needs of American Indians and Alaska Natives in Tribal Areas* (Housing Needs Study), still the most comprehensive national study of housing needs in Indian Country since the enactment of NAHASDA.¹ The study found that, under NAHASDA, Tribes matched or exceeded the previous rate of assisted housing production accomplished under prior, pre-NAHASDA, HUD programs. Tribal leaders and administrators interviewed for the study almost uniformly prefer operations under NAHASDA to the prior system.

Federal investment in Native American housing programs supports the health and safety of Native Americans and Tribal communities. The Housing Needs Study found that the physical housing problems for households in Tribal areas are much more severe than for U.S. households on average.

In Tribal areas, homelessness often shows up as overcrowding. According to the Housing Needs Study, between 42,000 and 85,000 Native Americans are “doubled up.” This means they are living with family or friends because they have no place else to stay and would otherwise be staying in a homeless shelter or in a place not meant for human habitation.

Despite these substantial challenges, Tribes and Tribally Designated Housing Entity (TDHE) remain resilient, continuing to deliver housing assistance and services to low-income members of their communities.

Indian Housing Block Grant Formula

The 2027 President’s Budget requests \$872 million for IHBG formula grants, which is \$239 million less than the 2026 Enacted level. The Budget allows up to \$2 million of the formula funds to be used to support the formula allocation process.

The IHBG formula grant represents the core of the Federal Government’s support for housing in Tribal communities. The tenets of the Tribal self-determination policy are embodied in the IHBG program. Tribes repeatedly demonstrate that they are able to leverage their IHBG funds and use them as a catalyst for community and economic development throughout Indian Country. The program helps stabilize communities and build healthy economies within American Indian and Alaska Native communities.

Due to remote locations, housing development in Tribal regions face more significant challenges related to securing additional investment and leveraging other dollars compared to other municipalities. Additionally, Tribes are facing increasingly critical housing needs and challenges, including limited and aging housing stock; severe overcrowding; complex material shipping logistics; and lack of infrastructure.

In 2025, IHBG funds uses included building or acquiring over 750 affordable housing units and substantially rehabilitating over 4,800 units. Since the inception of the IHBG program, IHBG funds financed the construction or acquisition of more than 44,800 affordable housing units and rehabilitated more than 125,000 units.

¹ <https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html>

Imminent Threat Grants

The 2027 President’s Budget requests \$5 million for imminent threat grants under the Indian Community Development Block Grant. Imminent threat grants are allocated on a first-come, first-served basis for qualifying disasters and other emergencies. In 2025, projects in Tribal communities included the rehabilitation and construction of housing following floods and severe storms, erosion mediation, and development of residential water filtration systems to ensure families have clean water.

Title VI Loan Guarantee

The 2027 President’s Budget does not request any new budget authority for the Title VI program, which is \$1 million less than the 2026 Enacted level. The Budget requests \$50 million of loan guarantee authority to allow for the program to continue to issue loans supported by carryover credit subsidy from prior years.

The program encourages private lenders to finance Tribal housing development activities. The program provides Tribes with the option of pledging future IHBG funds as collateral to raise substantial capital to finance larger scale affordable housing projects.

Housing of Homeless Tribal Veterans

The 2027 President’s Budget requests \$10 million to support homeless Tribal veterans. This program provides grants to Tribes and Tribally Designated Housing Entity (TDHE) for rental assistance and supportive services to Tribal veterans who are homeless or at risk of homelessness living on or near a reservation or other Indian areas. This funding would allow Tribal veterans to remain housed while receiving case management and other services from the U.S Department of Veterans Affairs.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Adjustments	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Indian Community Development Block Grant	75,000	73,771	-	148,771	78,771	100,000	70,000	170,000	5,000
Indian Housing Block Grant Formula	1,111,000	12,464	(453)	1,123,011	1,105,352	1,111,000	17,659	1,128,659	872,000
Indian Housing Block Grant Competitive	150,000	150,000	-	300,000	150,000	125,000	150,000	275,000	-
Title Guarantee - Title VI (Credit Subsidy)	1,000	4,300	-	5,300	44	1,000	4,300	5,300	-
National and Regional Organizations	2,000	2,000	-	4,000	4,000	2,000	-	2,000	-
Technical Assistance	5,000	5,000	-	10,000	10,000	5,000	-	5,000	-
Indian Community Development Block Grant - CARES Act	-	-	-	-	-	-	-	-	-
Indian Housing Block Grant (ARP Act)	-	-	-	-	-	-	-	-	-
Indian Community Development Block Grant (ARP Act)	-	157	-	157	-	-	-	-	-
Tribal HUD-VASH	-	-	-	-	-	10,000	-	10,000	10,000
Native American Housing Block Grants (Title VI) -- Loan Guarantee Limitation Level [Non-Add]	50,000	-	-	50,000	-	60,000	-	60,000	50,000
Total	1,344,000	247,692	(453)	1,591,239	1,348,167	1,354,000	241,959	1,595,959	887,000

a/ 2024 carryover into 2025 includes \$246.245 million in carryover and \$1.446 million in recaptures of unexpired unobligated funds.

b/ In 2025, HUD transferred \$453 thousand to the Department of the Interior for a Tribe-specific P.L. 477 plan.

c/ In 2025, the program received a mandatory appropriation of \$626,087 for an upward re-estimate in Title VI, and obligated that same amount in 2025. This is not included in the table above.

d/ Carryover from 2025 into 2026 does not include \$955 thousand of Title VI and \$157 thousand of ICDBG-ARP funds that expired in 2025.

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For activities and assistance authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (in this heading "NAHASDA") (25 U.S.C. 4111 et seq.), title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) with respect to Indian tribes, and related training and technical assistance, \$887,000,000, to remain available until September 30, 2031: Provided, That of the sums appropriated under this heading—

- (1) *\$872,000,000 shall be available for the Native American housing block grants program, as authorized under title I of NAHASDA: Provided, That, notwithstanding NAHASDA, to determine the amount of the allocation under title I of such Act for each Indian tribe, the Secretary shall apply the formula under section 302 of such Act with the need component based on single-race census data and with the need component based on multi-race census data, and the amount of the allocation for each Indian tribe shall be the greater of the two resulting allocation amounts: Provided further, That, of the amount provided under this paragraph, up to \$2,000,000 may be used by the Secretary to support administration of the allocation formula established under section 302 of NAHASDA (25 U.S.C. 4152), notwithstanding the Federal Grant and Cooperative Agreements Act of 1977 (31 U.S.C. Chapter 63);*
- (2) *\$10,000,000, shall remain available until expended, for noncompetitive grants to recipients that received a Tribal HUD-Veterans Affairs Supportive Housing grant in prior years, to be available under the same terms and conditions as funds specified under paragraph (5) under the heading "Public and Indian Housing—Tenant-Based Rental Assistance" in Public Law 118-42; and*
- (3) *\$5,000,000 shall be available for grants to Indian tribes for carrying out the Indian community development block grant program under title I of the Housing and Community Development Act of 1974, notwithstanding any other provision of law (including section 106(a)(1) of such Act and section 202 of this Act), for emergencies that constitute imminent threats to health and safety: Provided, That not to exceed 20 percent of any grant made with such amounts shall be expended for planning and management development and administration:*

Provided further, That amounts made available in prior Acts for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA, that are unobligated, including recaptures and carryover, may be available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed \$50,000,000, to remain available until September 30, 2028: Provided further, That such costs, including the cost of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a).

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Indian Housing Loan Guarantee Fund (Section 184)

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	1,500	9,664	-	-	11,164	3,438	2,485
2026 Appropriation	1,400	7,726	-	-	9,126	4,903	3,000
2027 President's Budget	400	4,223	-	-	4,623	500	3,000
Change from 2026	(1,000)	(3,503)	-	-	(4,503)	(4,403)	-

a/ The table above reflects only discretionary budget authority; mandatory budget authority for upward re-estimates and interest is excluded.

PROGRAM PURPOSE

The Indian Housing Loan Guarantee Fund (also known as the Section 184 program) is a loan guarantee program that facilitates homeownership and increases access to private capital for American Indian and Alaska Native families, Indian Tribes, and Tribally Designated Housing Entities (TDHEs). The Section 184 program provides an incentive for private lenders to make home mortgages available to Native Americans on favorable terms by providing a 100-percent guarantee in the event of a loan default. By providing this loan guarantee, the Section 184 program helps to address the major housing challenges for many Tribal communities, overcrowding and a lack of available housing, as noted by the 2017 HUD report, *Housing Needs of American Indians and Alaska Natives in Tribal Areas*.¹

BUDGET OVERVIEW

The 2027 President's Budget requests \$400 thousand for administrative contract expenses for the Section 184 program, which is equal to the 2026 Enacted level. The 2027 Budget assumes the Section 184 program will operate as a zero-subsidy program, using fees on borrowers to cover the subsidy costs of loans. Thus, no new credit subsidy is requested in 2027.

The Budget also requests \$1.2 billion in loan guarantee authority, which is \$600 million less than the 2026 Enacted level.

Over its history, the Section 184 program experienced a very low claim rate of four percent. This is partly because Tribes continue to proactively provide housing counseling and support to keep families in their homes and to provide critical support to families to avoid defaults and unnecessary foreclosures.

¹ <https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html>

The administrative contract expenses request will support the operation and stewardship of the Section 184 program, providing funding for data integrity efforts to improve oversight and resolve outstanding Office of Inspector General findings related to risk mitigation, costs associated with data management for subsidy rate analysis, contractual needs for legal information services, information services, underwriting, and property and preservation services.

JUSTIFICATION

The 2017 HUD report *Mortgage Lending on Tribal Land* found that the Section 184 program has helped address the functional market barrier to private lending presented by Tribal trust land.² Historically, American Indians and Alaska Natives have had limited retail banking opportunities and limited access to private mortgage capital primarily because much of the land in Indian Country is held in trust by the Federal Government and cannot be used as collateral. Before a lien can be placed on a property on trust land, it must receive Federal approval through the U.S. Department of the Interior's Bureau of Indian Affairs. Prospective homeowners can find mortgage lending to be challenging for properties located on fee simple land as well as some Native American families have lacked experience dealing with mainstream financial institutions and have limited credit histories.

The Section 184 program maximizes the Federal investment by insuring thousands of loans each year and enabling the private mortgage market to serve Indian Country.

Key Assumptions

The 2027 Budget assumes that the Section 184 program will operate with a credit subsidy rate of zero, due to increased fee collections from raising borrower upfront fees from 1 percent to 1.5 percent. HUD estimates that the program will support approximately \$547 million in mortgages, serving over 1,800 borrowers in 2027.

Stakeholders

Stakeholders include American Indian and Alaska Native borrowers, Tribes, TDHEs, and Section 184-approved lenders. ONAP works with financial institutions to encourage lending, which provides a path for Native American families to become homeowners.

Operational Improvements and Efficiencies

HUD continues to make progress towards modernizing the Section 184 program using prior year Information Technology (IT) Fund appropriations, which will help reduce potential risk to the Federal Government. Under the Office of the Chief Information Officer's leadership, the Office of Public and Indian Housing (PIH) is developing *Native Advantage*, which is a multi-year information technology modernization initiative. The Origination Module is currently undergoing internal testing to assess core functionality of the operating system. HUD continues to work on developing the system and will continue to provide Congress with progress updates.

² <https://www.huduser.gov/portal/publications/NAHSC-Lending.html>

INDIAN HOUSING LOAN GUARANTEE FUND

HUD is currently working on developing a comprehensive Handbook with Tribal input to implement updated Section 184 regulations. HUD anticipates publication of the Handbook in the near future and will provide all stakeholders prior notice before compliance with the updated Section 184 regulations as required.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Loan Guarantee Credit Subsidy	1,500	6,219	7,719	3,076	1,000	4,643	5,643	-
Administrative Contract Expenses	-	1,718	1,718	362	400	1,356	1,756	400
Skilled Workers Loan Credit Subsidy	-	1,727	1,727	-	-	1,727	1,727	-
<i>Indian Housing Loan Guarantee Fund (Section 184) -- Loan Guarantee Limitation Level [Non-Add]</i>	<i>[1,800,000]</i>	<i>[1,457,843]</i>	<i>[3,257,843]</i>	<i>[446,122]</i>	<i>[1,800,000]</i>	<i>[1,353,878]</i>	<i>[3,153,878]</i>	<i>[1,200,000]</i>
Total	1,500	9,664	11,164	3,438	1,400	7,726	9,126	400

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

The 2027 President’s Budget includes the following general provision:

- **Eminent Domain Restrictions:** This provision makes permanent provisions prohibiting HUD from guaranteeing mortgages or mortgage-backed securities that refinance or otherwise replace mortgages that have been subject to eminent domain. (Sec. 214)

APPROPRIATIONS LANGUAGE

The 2027 President’s Budget includes the appropriations language listed below.

For administrative expenses, including management of the loan guarantee program as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a), \$400,000, to remain available until expended: Provided, That subject to section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), amounts made available in prior Acts for the cost of guaranteed loans, as authorized by such section 184, that are unobligated, including recaptures and carryover, may be available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$1,200,000,000, to remain available until September 30, 2028.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Native Hawaiian Housing Block Grants

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	22,300	-	-	-	22,300	22,300	50,119
2026 Appropriation	22,300	11	-	-	22,311	22,311	20,000
2027 President's Budget	-	-	-	-	-	-	15,000
Change from 2026	(22,300)	(11)	-	-	(22,311)	(22,311)	(5,000)

The 2027 President's Budget eliminates funding for the Native Hawaiian Housing Block Grants (NHHBG) program, reducing spending by \$22.3 million compared to the 2026 Enacted level.

The NHHBG program funds affordable housing activities on and off the Hawaiian home lands. Eligible activities include new construction, rehabilitation, acquisition, infrastructure, and various support services. In addition, funds can be used to provide rental assistance to eligible Native Hawaiians residing on or off Hawaiian home lands. The sole recipient is the State of Hawaii's Department of Hawaiian Home Lands (DHHL).

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Native Hawaiian Housing Block Grant	22,300	-	22,300	22,300	22,300	-	22,300	-
Technical Assistance	-	-	-	-	-	11	11	-
Total	22,300	-	22,300	22,300	22,300	11	22,311	-

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Public and Indian Housing
Native Hawaiian Housing Loan Guarantee Fund (Section 184A)

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	-	-	-	-	-	-	-
2026 Appropriation	-	-	-	-	-	-	-
2027 President's Budget	-	-	-	-	-	-	-
Change from 2026	-	-	-	-	-	-	-

Note: The table above reflects only discretionary budget authority; mandatory budget authority for upward re-estimates and interest is excluded.

The 2027 President's Budget eliminates loan guarantee authority for the Native Hawaiian Housing Loan Guarantee Fund account. The request eliminates \$28 million of loan guarantee authority compared to the 2026 Enacted level.

The Native Hawaiian Housing Loan Guarantee program (also known as the Section 184A program) provides access to private mortgage financing to Native Hawaiian households who are eligible to reside on Hawaiian homelands.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
<i>Native Hawaiian Loan Guarantee Fund (Section 184A) -- Loan Guarantee Limitation Level (Non-Add)</i>	[28,000]	[24,729]	[52,729]	[4,094]	[28,000]	[23,906]	[51,906]	-
Total	-	-	-	-	-	-	-	-

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community Planning and Development

Housing Opportunities for Persons With AIDS (HOPWA)

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	505,000	165,065	-	-	670,065	357,788	461,505
2026 Appropriation	529,000	312,276	-	-	841,276	658,579	503,007
2027 President's Budget	-	182,697	-	-	182,697	174,972	480,605
Change from 2026	(529,000)	(129,579)	-	-	(658,579)	(483,607)	(22,402)

The 2027 President’s Budget eliminates funding for the Housing Opportunities for Persons with AIDS (HOPWA) program, reducing spending by \$529 million compared to the 2026 Enacted.

HOPWA provides funding to communities to address the housing needs of low-income people with Human Immunodeficiency Virus (HIV) when they are homeless or unstably housed.

Individuals with HIV who are homeless or at risk of homelessness may be served under the Emergency Solutions Grant program proposed in the 2027 President’s Budget that will provide emergency, short- and medium-term housing assistance, capped at two years, to homeless and at-risk individuals.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Formula Grants	454,500	110,957	565,457	352,788	476,100	212,668	688,768	-
Competitive Grants	50,500	54,108	104,608	5,000	52,900	99,608	152,508	-
Total	505,000	165,065	670,065	357,788	529,000	312,276	841,276	-

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Community Planning and Development

Community Development Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	3,430,000	1,400,883	12,038,980	(53,850)	16,816,013	12,028,370	9,853,010
2026 Appropriation	6,995,244	4,792,244	(513)	-	11,786,975	10,672,187	12,705,316
2027 President's Budget	-	1,114,789	(100,000)	-	1,014,789	988,184	14,639,000
Change from 2026	(6,995,244)	(3,677,455)	(99,487)	-	(10,772,186)	(9,684,003)	1,933,684

a/ P.L. 118-158 (approved December 21, 2024) included \$12.039 billion and repurposed \$31.7 million in carryover funds for major disasters that occurred in 2023 or 2024. Of these amounts, \$1.8 million was transferred to the Information Technology Fund, \$7.0 million was transferred to HUD Office of Inspector General, and \$31.7 million of carryover balances and \$13.29 million of newly appropriated funds from P.L. 118-158 transferred to the CPD Disaster Salaries & Expenses (S&E) account. An additional \$20 thousand of the amount appropriated in 2024 for the Economic Development Initiative (earmarks) was rescinded under the 2025 full-year Continuing Resolution.

b/ Sec. 234 of P.L. 119-75 included a rescission of \$513 thousand in unobligated balances from legacy programs.

The 2027 President's Budget eliminates funding for the Community Development Fund (CDF), reducing spending by \$7 billion compared to the 2026 Enacted level, and proposes cancellation of \$100 million in PRO Housing competitive grant balances.

The CDF account contains the Community Development Block Grant (CDBG) program, which provides formula grants to States and units of local government for a range of economic development and community development activities. It also contains Congressionally-directed spending in the Economic Development Initiative (earmarks), competitive grants (PRO Housing), and the Recovery Housing Program. In addition, the account includes Community Development Block Grant – Disaster Recovery (CDBG-DR) funding, provided by Congress through supplemental appropriations.

HUD remains committed to supporting the housing needs of low-income and vulnerable populations, including those experiencing homelessness. Because State and local governments are better positioned to serve their communities' needs than the Federal Government, the Budget discontinues funding for CDF in favor of locally-driven housing and economic development strategies.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Adjustments	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
CDBG Entitlement/Non-Entitlement Grants	3,300,000	828,234	-	4,128,234	2,945,927	3,300,000	1,182,307	4,482,307	-
Entitlement Communities [Non-Add]	2,305,100	647,637	-	2,952,737	1,999,787	2,305,100	952,950	3,258,050	-
States [Non-Add]	987,900	174,626	-	1,162,526	936,003	987,900	226,523	1,214,423	-
Insular [Non-Add]	7,000	5,971	-	12,971	10,137	7,000	2,834	9,834	-
Recovery Housing Program (SUPPORT Act)	30,000	32,008	-	62,008	19,688	30,000	42,320	72,320	-
PRO Housing (Competitive Grants)	100,000	100,064	-	200,064	100,064	50,000	100,000	150,000	-
Economic Development Initiatives	-	197	(20)	177	-	3,615,244	177	3,615,244	-
Disaster Assistance	-	439,919	11,985,150	12,425,069	8,962,676	-	3,466,994	3,466,994	-
Special Purpose Grants (Section 107)	-	336	-	336	-	-	336	-	-
Economic Development Training (Section 805)	-	110	-	110	-	-	110	110	-
Sustainable Communities	-	15	-	15	15	-	-	-	-
Total	3,430,000	1,400,883	11,985,130	16,816,013	12,028,370	6,995,244	4,792,244	11,786,975	-

a/ Carryover and recaptures for Disaster Assistance include, but are not limited to, appropriations provided by the following: P.L. 115-123, approved February 9, 2018, appropriated \$28 billion for Hurricanes Harvey and Irma; P.L. 116-20, approved June 6, 2019, appropriated \$2.4 billion for disasters that occurred in 2018 and 2019; P.L. 117-43 approved September 30, 2021, provided \$5 billion for disasters that occurred in 2020 and 2021. Of this amount from P.L. 117-43, \$5.5 million was transferred to the Community Planning and Development (CPD) salaries and expenses (S&E) account. P.L. 117-180, approved September 30, 2022, provided \$2 billion for disasters that occurred in 2021 and 2022; P.L. 117-328, approved December 29, 2022, provided \$3 billion for disasters that occurred in 2022 or later. Of these amounts, \$10 million is for Technical Assistance, \$5 million was transferred to the CPD S&E account, and \$5 million was transferred to HUD Office of the Inspector General; and P.L. 118-158, approved December 21, 2024, provided \$12.039 billion and repurposed \$31.7 million in carryover funds for major disasters that occurred in 2023 or 2024. Of these amounts, \$1.8 million was transferred to the Information Technology Fund, \$7.0

COMMUNITY DEVELOPMENT FUND

- million was transferred to HUD Office of the Inspector General, and \$45 million was transferred to the CPD Disaster S&E account. The \$45 million transferred to S&E is composed of \$31.7 million of carryover balances and \$13.29 million of newly appropriated funds from P.L. 118-158.
- b/ 2025 CDBG carryover also includes \$1.2 million of recaptured CDBG formula funds that were obligated and awarded to communities affected by Stafford Act declared disasters, pursuant to 42 USC 5306(c)(4), and subsequently reallocated in response to Presidentially-declared disaster Helene.
- c/ Not reflected in the above table for 2025 carryover is \$75 thousand in no-year recaptures from legacy programs that are subject to review prior to allotment.
- d/ 2025 Carryover amounts for the Economic Development Initiative (EDI) include \$20 thousand of the amount appropriated in 2024 for Community Project Funding/Congressionally Directed Spending that was rescinded under the 2025 full-year Continuing Resolution. Amounts also include \$177 thousand of carryover funds that are recaptures from legacy economic development grants that no longer operate.
- e/ Reflected in the above table for 2026 Total Resources are rescissions included in Sec. 234 of P.L. 119-75, of which \$177 thousand in unobligated balances from the legacy program titled Economic Development Initiatives and \$336 thousand in unobligated balances from the legacy program titled Special Purpose Grants.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

The 2027 President's Budget includes the following general provision:

- Cancellations: This proposal cancels certain balances. (Sec. 229)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Community Planning and Development
Community Development Loan Guarantee

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	-	-	-	-	-	-	-
2026 Appropriation	-	-	-	-	-	-	-
2027 President's Budget	-	-	-	-	-	-	-
Change from 2026	-	-	-	-	-	-	-

The 2027 President's Budget does not request loan guarantee authority for the Community Development Loan Guarantee account, eliminating \$300 million of loan guarantee authority compared to the 2026 Enacted level.

The Community Development Loan Guarantee Program, also known as the Section 108 Loan Guarantee Program, provides Federal guarantees for private loans for communities. It provides Community Development Block Grant (CDBG) recipients with the ability to leverage their annual grant allocation with a loan to undertake large community and economic development projects.

While this program operates without appropriated funds, it remains linked to the CDBG program, both with respect to programmatic requirements and as a source of security and debt service. The 2027 Budget shifts community and economic development activities to the state and local levels and eliminates funding for CDBG and Section 108.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
<i>Community Development Fund Loan Guarantees (Section 108) -- Loan Guarantee Limitation Level [Non-Add]</i>	[400,000]	-	[400,000]	[209,631]	[300,000]	-	[300,000]	-
Total	-	-	-	-	-	-	-	-

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Community Planning and Development

HOME Investment Partnerships Program

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	1,250,000	277,319	-	-	1,527,319	1,092,986	1,871,000
2026 Appropriation	1,250,000	433,864	-	-	1,683,864	1,434,368	1,970,000
2027 President's Budget	-	249,496	-	-	249,496	249,496	2,091,000
Change from 2026	(1,250,000)	(184,368)	-	-	(1,434,368)	(1,184,872)	121,000

The 2027 President's Budget eliminates funding for the HOME Investment Partnerships program (HOME), reducing spending by \$1.25 billion compared to the 2026 Enacted level.

The HOME program provides annual formula grant assistance to States and units of local government to increase the supply of affordable housing and expand homeownership for low- to very low-income persons through a wide range of activities that build, buy, and/or rehabilitate affordable housing. Numerous factors and regulatory barriers stifle housing development; many of these issues cannot be solved, and may be worsened, by Federal involvement. State and local governments are better positioned to comprehensively address the array of unique market challenges, local policies, and impediments that lead to housing affordability problems.

As of January 2026, undisbursed HOME funds from 2025 and earlier grants totaled \$5.4 billion. Projects are required to remain affordable for as long as 20 years from the date of completion. There are approximately 18,365 rental projects containing 223,548 units, and 45,253 homebuyer projects containing 54,573 units that are under regulatory compliance. Additionally, new projects are currently under development with existing funds that will be placed in service over the next several years.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
HOME Investment Partnerships Program	1,250,000	244,820	1,494,820	1,060,956	1,250,000	433,864	1,683,864	-
<i>Insular (Non-Add)</i>	<i>2,500</i>	<i>2,251</i>	<i>4,751</i>	<i>3,706</i>	<i>2,500</i>	<i>1,045</i>	<i>3,545</i>	-
Homeless Assistance and Supportive Services Program (ARP)	-	32,030	32,030	32,030	-	-	-	-
Technical Assistance (ARP)	-	469	469	-	-	-	-	-
Total	1,250,000	277,319	1,527,319	1,092,986	1,250,000	433,864	1,683,864	-

a/ 2024 Carryover into 2025 column includes \$25.3 million in funds recaptured during fiscal year 2025, including \$5.2 million in formula grants and \$20.0 million in American Rescue Plan grants.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Community Planning and Development
Self-Help and Assisted Homeownership Opportunity Program

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	60,000	66,000	-	-	126,000	12,000	47,014
2026 Appropriation	65,000	114,000	-	-	179,000	114,000	69,186
2027 President's Budget	16,000	65,000	-	-	81,000	65,000	69,406
Change from 2026	(49,000)	(49,000)	-	-	(98,000)	(49,000)	220

PROGRAM PURPOSE

The Self-Help and Assisted Homeownership Opportunity Program account funds grants for the purchase of home sites and development or improvement of infrastructure to set the stage for “sweat equity” and volunteer-based homeownership programs for low-income individuals and families. The account also funds awards that deliver capacity-building support to local organizations.

BUDGET OVERVIEW

The 2027 President’s Budget requests a single \$16 million grant to Habitat for Humanity (Habitat) to support sweat equity homeownership under Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) and capacity building activities under Section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note). In total, the President’s Budget reduces spending by \$49 million compared to the 2026 Enacted level.

JUSTIFICATION

The 2027 President’s Budget requests funding for a grant to Habitat to fund sweat equity homeownership projects and to strengthen the capacity of its affiliates, of which \$5 million is proposed to be set aside for rural-specific capacity-building activities. The Budget does not propose to fund any other awards under either program.

Eligible activities include those that 1) support land acquisition and infrastructure improvements to create homeownership opportunities for families and 2) enhance Habitat’s capacity and ability to carry out community development and affordable housing activities benefiting low-income persons.

Homeownership activities under Section 11 include eligible expenses to develop decent, safe, and sanitary dwellings. Specifically, Section 11 grants fund land acquisition and infrastructure improvements. Assisted homebuyers must be low-income and must contribute a significant amount of sweat equity toward the development of the unit. Historically, approximately 50 percent of beneficiaries live in rural communities. Projects implemented by Habitat benefit from volunteer labor and community engagement, which enhances program efficiency and expands the impact of each grant dollar.

Complementing these activities, Section 4 capacity building grants provide the knowledge and resources to initiate, improve, or expand implementation of community development, housing, and economic development activities. These investments support affordable housing production and rehabilitation and enhance economic opportunities in low-income communities, with a particular emphasis on rural communities through the targeted set aside requirement.

Expanding Section 4 in Rural America

According to the U.S. Census Bureau, over 68 million Americans live in rural areas,¹ which are essential to the national economy and serve as hubs for agriculture, energy production, and manufacturing. This economic importance, however, stands in stark contrast to the limited development infrastructure found in many rural communities, which often struggle to access Federal resources and effectively implement local initiatives. Many of these communities face persistent poverty, an aging housing stock, and declining economic opportunities, making targeted capacity building not only necessary, but urgent.

To address the persistent capacity challenges facing rural communities, the President’s Budget proposes a \$5 million set-aside within Section 4 for rural capacity building. This set-aside would ensure that rural areas receive the targeted technical assistance and organizational support required to revitalize local economies and strengthen community-based institutions. Resources would be directed to a trusted non-profit intermediary in Habitat and deployed through local Community Development Corporations (CDCs) and Community Housing Development Organizations (CHDOs) to lead efforts in affordable housing, small business development, and main street revitalization—critical drivers of job creation and economic growth. By building local capacity, this investment aims to reduce long-term reliance on Federal assistance by strengthening local control, empowering rural communities to attract private capital and implement homegrown solutions, while promoting economic prosperity.

Performance

Habitat is a prime example of the strong, long running partnerships HUD has with faith-based organizations. In implementing Section 4 grant award funding received from 2017 to 2023, Habitat reported the following:

- Awarded with a total of seven Section 4 grants totaling \$57,281,928
- Matched funding with \$1,024,692,103 in additional public and private investments, representing an approx. 18:1 leverage ratio
- Served over 300 eligible organizations and 157 subgrantees
- Created 158 new jobs
- Rehabbed, preserved, and/or repaired 4,404 homes
- Distributed 142 scholarships

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Self Help Housing Opportunity Program	12,000	12,000	24,000	-	12,000	24,000	36,000	-
Section 4 Capacity Building	42,000	42,000	84,000	-	46,000	84,000	130,000	16,000
Set-Aside for Rural Capacity Building Activities [Non-Add]	5,000	5,000	10,000	-	5,000	10,000	15,000	5,000
Set-Aside for Tribal Communities [Non-Add]	1,000	1,000	2,000	-	1,000	2,000	3,000	-
Rural Capacity Building	6,000	12,000	18,000	12,000	7,000	6,000	13,000	-
Total	60,000	66,000	126,000	12,000	65,000	114,000	179,000	16,000

¹ U.S. Census Bureau. (2022, December 29). *Nation’s urban and rural populations shift following 2020 Census* (Press release No. CB22-CN.25). U.S. Department of Commerce. Retrieved August 13, 2025, from U.S. Census Bureau website.

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For a grant to the fourth capacity building entity specified in section 4(a) of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note), \$16,000,000, to remain available until September 30, 2029, for activities authorized under that section 4, under section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note), and for related assistance: Provided, That of the funds made available under this heading, not less than \$5,000,000 shall be for rural capacity building activities.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Community Planning and Development

Homeless Assistance – Emergency Solutions Grants

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	4,051,000	4,796,697	-	-	8,847,697	4,062,272	3,397,432
2026 Appropriation	4,417,000	4,897,851	-	-	9,314,851	4,661,251	4,046,538
2027 President's Budget	4,024,000	4,698,831	-	-	8,722,831	7,233,180	4,649,627
Change from 2026	(393,000)	(199,020)	-	-	(592,020)	2,571,929	603,089

a/ 2025 Carryover includes \$453 million of homeless assistance recaptures (including \$46 million for CoCs in rural areas and \$46 million for ESG disaster areas) authorized by Sec. 231 of P.L. 116-94.

b/ 2026 Carryover includes an estimated \$190 million of homeless assistance recaptures authorized by Sec. 231 of P.L. 116-94.

PROGRAM PURPOSE

The Homeless Assistance Grants program addresses homelessness nationwide through a variety of services and housing interventions serving vulnerable individuals and families who are homeless or at-risk of homelessness.

BUDGET OVERVIEW

The 2027 President's Budget requests \$4.024 billion, which is \$393 million less than the 2026 Enacted level. The request consolidates HUD's homeless assistance within an updated Emergency Solution Grants block grant program. The Budget does not request funding for the Continuum of Care, construction of new Permanent Supportive Housing, or Youth Homelessness Demonstration programs, nor the National Homeless Data Analysis Project.

JUSTIFICATION

Over 770,000 adults and children are experiencing homelessness, as communities nationwide grapple with the deeply intertwined crises of homelessness, addiction, and untreated severe mental illness.^{1,2,3} Despite substantial increases in taxpayer spending through the Continuum of Care (CoC) Program over the last fifteen years, more Americans are living and dying on our streets than ever before. Although the supply of Permanent Supportive Housing increased by 39.7 percent between 2013 and 2024, chronic homelessness increased by 76.8 percent during the same period.³ Furthermore, between 2013 and 2024, the total number of homeless people increased by nearly 31 percent, marking the highest levels of homelessness recorded since HUD started tracking these figures.³ The failure to address homelessness follows an approximate 130 percent increase in Continuum of Care funding since 2013.⁴ Maintaining the status quo is unacceptable.

¹ Booth, R., Shariff, S. (2023). Opioid-related overdose deaths among people experiencing homelessness, 2017 to 2021: A population-based analysis using coroner and health administrative data from Ontario, Canada

² Roundtree, J., Hess, N., & Lyke, A. (2019). Health conditions among unsheltered adults in the U.S. California Policy Lab. [Health-Conditions-Among-Unsheltered-Adults-in-the-U.S.pdf](#)

³ 2024 AHAR: Part 1 – PIT Estimates of Homelessness in the U.S. [PIT Estimates of Homelessness in the U.S.](#)

⁴ HUD's 2013 Continuum of Care Funding Awards. [CoC AwardComp NatlTerrDC 2013.pdf](#)

The 2027 President's Budget proposes a strategic fundamental realignment of its homelessness response by consolidating homeless assistance into an expanded Emergency Solutions Grants (ESG) program that provides funding for street outreach and crisis intervention, emergency shelter, short- to medium-term housing assistance and substance use disorder and mental health treatment. The President's Budget proposal also includes making Transitional Housing an eligible use of funding. This policy shift is grounded in the need to expand the short- and medium-term interventions available to communities to address homelessness, with the goal of increasing self-sufficiency and reducing unsheltered homelessness. It reflects a move toward increased local government responsibility, control, and flexibility in addressing homelessness, while ensuring taxpayer dollars are used effectively.

As part of this consolidation effort, HUD proposes to update the ESG formula. The formula may include performance indicators such as reductions in unsheltered homelessness, reduced returns to homelessness, increases in employment income, and increases in placements into unsubsidized housing.

Key Advantages of ESG Expansion

Promotes Recovery and Self-Sufficiency

ESG's focus on emergency shelter, short- and medium-term housing assistance and supportive services directly advances the goal of empowering individuals and families to gain economic independence and long-term housing stability. The ESG program provides funding for supportive services, including crisis intervention, mental health treatment, substance use disorder treatment, intensive case management, and life skills and employment training.

Increases Local Responsiveness and Encourages Local Responsibility for Homelessness

The ESG program provides greater local discretion in targeting resources where they are most needed. While the CoC program operated without direct accountability to taxpayers and their elected officials, the ESG program delivers funds directly to State and local governments.

Reduced Bureaucracy and Enhances Administrative Efficiency

Funding homeless services through ESG reduces the administrative complexity and staff burden associated with administering CoC program funds. HUD estimates that the CoC program and project application process takes recipients nearly 115,000 total hours to complete and costs over \$5 million per year. This has stifled participation and slowed the delivery of resources. Compared to CoC's extensive application and compliance requirements, ESG's simplified grant structure will reduce barriers to entry for local providers, especially smaller or rural organizations. This will broaden participation and drive more innovative and cost-effective approaches.

Addressing Mental Health and Substance Use

In the 2024 Point in Time Count (the coordinated annual count of people experiencing homelessness on a single night in the United States), 274,224 people were found to be living on the streets; the highest ever recorded.⁵ According to a sample of 64,000 people experiencing unsheltered homelessness, 75 percent and 78 percent reported substance use disorder and mental health

⁵ 2024 AHAR: Part 1 – PIT Estimates of Homelessness in the U.S. [PIT Estimates of Homelessness in the U.S.](#)

conditions, respectively, with half citing these issues as key contributors to their loss of housing.⁶ Another study found that two-thirds of people experiencing homelessness self-reported regular use of hard drugs like methamphetamine, cocaine, and opiates. Of those, 29 percent reported wanting treatment and being unable to receive it.⁷

Given that substance use disorders and mental health conditions are among the leading causes of homelessness, dramatic expansion of the ESG program offers vital behavioral health resources to support the critical recovery needed for individuals to achieve lasting self-sufficiency and housing stability. HUD proposes incorporating Transitional Housing programs into the ESG expansion as an eligible use of funds. Transitional Housing, rather than rental assistance alone, puts recovery and self-sufficiency at the forefront. The ESG program, alongside Transitional Housing, offers a streamlined pathway of robust wraparound assistance to address homelessness at its core, not just its symptoms.

HUD will work closely with the Department of Health and Human Services and other Federal Agencies to ensure that behavioral health services from all sources are available to people experiencing homelessness. HUD will also provide technical assistance to communities to help them better develop and access behavioral health services.

Additionally, to maximize vital behavioral health resources, the Budget proposes modifying the statutory requirements that limit the use of funds for substance use disorder treatment and mental health treatment to the extent that other services are unavailable in the community. The Budget also proposes providing communities and organizations with the ability to require participation in services, including substance use disorder treatment and mental health treatment, as a condition of assistance.

Funding Impact and Outcomes

Emergency Solutions Grants Program (\$4.024 billion)

The ESG program delivers critical support to people at-risk of or experiencing homelessness. ESG supports a variety of life-saving activities, including:

- Emergency shelter for people in crisis, including treatment for mental health and substance use disorder, job training and employment assistance, and other supportive care;
- Street outreach and other essential services such as mental health and substance use disorder services and crisis intervention to engage people experiencing unsheltered homelessness;
- Time-limited housing assistance and stabilization services paired with case management; and
- Homelessness prevention for individuals and families.

By incorporating Transitional Housing programs and the associated wraparound supportive services, the ESG expansion offers a full continuum of assistance from crisis intervention to housing for the purpose of helping individuals and families regain independence.

⁶ Roundtree, J., Hess, N., & Lyke, A. (2019). Health conditions among unsheltered adults in the U.S. California Policy Lab. [Health-Conditions-Among-Unsheltered-Adults-in-the-U.S.pdf](#)

⁷ Kushel, M., Moore, T., et al. (2023). Toward a New Understanding: The California Statewide Study of People Experiencing Homelessness. UCSF Benioff Homelessness and Housing Initiative.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Adjustments	2026 Total Resources	2027 President's Budget
Continuum of Care	3,492,000	4,311,213	7,803,213	3,651,370	3,958,000	4,404,116	-	8,362,116	-
New Permanent Supportive Housing	100,000	175,000	275,000	-	-	100,000	-	100,000	-
Set aside- Construction awards for populations of less than 2,500,000 [Non-Add]	35,000	65,000	100,000	-	-	35,000	-	35,000	-
Victims of Domestic Violence	52,000	82,104	134,104	55,734	52,000	78,370	-	130,370	-
Emergency Solutions Grants	290,000	51,237	341,237	276,076	290,000	102,314	-	392,314	4,024,000
National Homeless Data Analysis Project	10,000	-	10,000	-	10,000	10,000	-	20,000	-
Youth Homelessness Demo	107,000	177,143	284,143	79,092	107,000	203,051	-	310,051	-
Youth Homelessness System Improvement Grant [Non-Add]	25,000	30,143	55,143	4,092	25,000	49,051	-	74,051	-
Youth Homelessness Technical Assistance [Non-Add]	10,000	3,000	13,000	-	10,000	10,000	-	20,000	-
Total	4,051,000	4,796,697	8,847,697	4,062,272	4,417,000	4,897,851	-	9,314,851	4,024,000

a/ 2025 CoC carryover includes \$453 million of homeless assistance recaptures (including \$46 million for CoCs in rural areas and \$46 million for ESG disaster areas) authorized by Sec. 231 of P.L. 116-94.

b/ 2025 CoC obligations include \$37 million for ESG funding in disaster areas, as well as \$4 million in obligations for CoCs in rural areas awarded under a Special NOFO, as well as \$86 million for CoCs awarded under the same Special NOFO.

c/ 2026 CoC carryover includes \$520 million of prior year rental assistance recaptures (including \$67 million for CoCs in rural areas and \$69 million for ESG disaster areas) an estimated \$190 million in anticipated homeless assistance recaptures authorized by Sec. 231 of P.L. 116-94, as well as \$27 million in other recaptures.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

General Provisions

The 2027 President's Budget includes the following general provision:

- Eliminating Recapture Authorities: This proposal eliminates the authorities that make Homeless Assistance Grants recaptures available until expended. Beginning on October 1, 2027, remaining balances would be used for the purposes of the expanded Emergency Solutions Grants program; subsequent recaptures would retain their original period of availability. (Sec. 230)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For emergency solutions grant assistance under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.), \$4,024,000,000, to remain available until September 30, 2029: Provided, That, notwithstanding any provision of the McKinney-Vento Homeless Assistance Act for such grant assistance, the Secretary shall allocate amounts directly to States and local governments based on a formula to be developed by the Secretary: Provided further, That such formula shall prioritize geographic areas based on factors to be determined by the Secretary and shall appropriately consider capacity or performance indicators: Provided further, That such grants may be used to undertake activities or otherwise provide assistance that will, as determined by the Secretary, assist homeless individuals or those at-risk of homelessness on an emergency, short-term, or medium-term basis: Provided further, That such grants may be used for the provision of transitional housing (as defined and determined by the Secretary) and recipients shall prioritize such use: Provided further, That recipients of such grants may establish preferences for elderly individuals experiencing homelessness or at risk of homelessness, or for disabled individuals or families experiencing

homelessness or at risk of homelessness, when implementing the recipients' programs: Provided further, That the Secretary may permit recipients of such grants to condition such assistance on participation in supportive services, including substance use disorder treatment and mental health treatment: Provided further, That the limitations in sections 415(a)(2)(A) and (B) of such title IV (42 U.S.C. 11374(a)(2)(A-B)) shall not apply to such grants: Provided further, That the Secretary may waive or specify alternative requirements for any provision of any statute or regulation administered by the Secretary in connection with such grant assistance, upon a finding by the Secretary that any such waivers or alternative requirements are necessary to facilitate the effective implementation of such grant assistance.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Community Planning and Development

Housing Trust Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	216,400	59,020	(1,170)	-	274,250	192,261	599,545
2026 Appropriation	195,000	81,989	1,220	-	278,209	232,237	461,000
2027 President's Budget	267,000	45,972	(4,104)	-	308,868	245,922	316,000
Change from 2026	72,000	(36,017)	(5,324)	-	30,659	13,685	(145,000)

a/ 2025 Carryover includes \$12.5 million in funds recaptured in 2025.

b/ 2025 Total Resources include sequestered funds (5.7% of budget authority or \$12.3 million) made temporarily unavailable per the OMB Report to the Joint Congress on the Joint Reduction for Fiscal Year 2025, partially offset by \$11.2 million sequestered in 2024 that became available in 2025.

c/ 2026 Total Resources include sequestered funds (5.7% of estimated budget authority or \$11.1 million) made temporarily unavailable per the OMB Report to the Joint Congress on the Joint Reduction for Fiscal Year 2026, partially offset by \$12.3 million sequestered in 2025 that became available in 2026.

d/ 2027 Total Resources include sequestered funds (5.7% of estimated 2027 Baseline or \$15.2 million) partially offset by \$11.1 million temporarily sequestered in 2027 that will become available in 2028.

The Housing Trust Fund is a mandatory program authorized by the Housing and Economic Recovery Act of 2008. This Act directed the account to be funded from assessments from the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). This account is a formula-based program for the States and U.S. Territories that finances the development, rehabilitation, and production of affordable housing for extremely low-income and very low-income families.

The 2027 President's Budget baseline, which reflects current law absent any legislative proposals, estimates \$267 million in collections for this program.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Adjustments	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Adjustments	2026 Total Resources	2027 President's Budget
Housing Trust Fund	216,400	59,020	(1,170)	274,250	192,261	195,000	81,989	1,220	278,209	267,000
Total	216,400	59,020	(1,170)	274,250	192,261	195,000	81,989	1,220	278,209	267,000

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community Planning and Development

Preservation and Reinvestment Initiative for Community Enhancement (PRICE)

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	10,000	235,000	-	-	245,000	225,000	1,262
2026 Appropriation	-	20,000	(10,000)	-	10,000	-	17,590
2027 President's Budget	-	10,000	(10,000)	-	-	-	77,000
Change from 2026	-	(10,000)	-	-	(10,000)	-	59,410

a/ P.L. 119-75 included the rescission of \$10 million of 2025 carryover.

The 2027 President's Budget eliminates funding for the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program, reducing spending by \$10 million compared to the 2026 Enacted level.

The PRICE program was first appropriated funds in 2023 for competitive grants to preserve and revitalize manufactured housing and eligible manufactured housing communities.

HUD remains committed to supporting the housing needs of vulnerable populations, including those in manufactured housing communities. Because State and local governments are better positioned to serve their communities' needs than the Federal government, the Budget request discontinues funding for PRICE in favor of locally driven housing preservation and development strategies.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Preservation and Reinvestment Initiative for Community Enhancement	10,000	210,000	220,000	210,000	-	10,000	10,000	-
Pilot Program for Replacement Homes for Manufactured Housing Communities	-	25,000	25,000	15,000	-	10,000	-	-
Total	10,000	235,000	245,000	225,000	-	20,000	10,000	-

a/ P.L. 119-75 included the rescission of \$10 million of 2025 carryover associated with the Pilot Program.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

The 2027 President's Budget proposes the following general provision:

- **Cancellations:** This proposal cancels certain balances. (Sec. 229)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Housing

Project-Based Rental Assistance

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	16,890,000	246,235	-	41,862	17,178,097	16,883,185	17,150,653
2026 Appropriation	18,543,000	294,315	-	59,000	18,896,315	18,582,000	18,528,000
2027 President's Budget	17,640,000	315,000	(4,300)	58,000	18,008,700	17,694,000	17,970,000
Change from 2026	(903,000)	20,685	(4,300)	(1,000)	(887,615)	(888,000)	(558,000)

a/ 2025 Appropriated funds (from P.L. 119-4) total \$16.9 billion, including \$2 billion designated as an emergency requirement.

b/ 2025 Total Resources include carryover of \$185 million, \$61 million of recaptures realized in 2025, and the transfer of \$23 million from Housing for the Elderly, \$18 million from Public Housing, and \$1 million from Tenant-Based Rental Assistance (TBRA) for Rental Assistance Demonstration (RAD) Conversions.

c/ 2026 Total Resources include \$294 million from carryover. Additionally, transfers of an estimated \$34 million from Housing for the Elderly, \$15 million from the Public Housing Fund, and \$10 million from TBRA are expected for RAD conversions.

d/ 2027 Total resources include \$315 million in estimated carryover. Additionally, estimated transfers of \$28 million from Housing for the Elderly, \$20 million from the Public Housing Fund, and \$10 million from TBRA are expected for RAD conversions.

e/ 2027 Budget includes a proposed rescission of \$4.3 million in unobligated legacy RAD balances.

PROGRAM PURPOSE

The Project-Based Rental Assistance (PBRA) program provides approximately 1.3 million safe, decent, and affordable housing units for low-income and very low-income families. Without this critical assistance, many currently affordable properties would either convert to market rates or be unable to generate enough rental income to maintain adequate living conditions.

BUDGET OVERVIEW

The 2027 President's Budget requests \$17.6 billion for the PBRA program, which is \$903 million less than the 2026 Enacted level. This includes:

- \$17.1 billion for contract renewals and amendments, including \$184 million for Section 8 Moderate Rehabilitation and the Single Room Occupancy Program for Homeless Individuals (commonly known as the Mod Rehab and SRO programs) renewals.
- \$529 million for Performance-Based Contract Administrators (PBCAs).

JUSTIFICATION

Contract Renewals and Amendments

The Budget includes \$17.1 billion to fully fund the renewal or amendment of approximately 17,500 rental assistance contracts, providing approximately 1.2 million safe, stable, and affordable housing units for low-income, very low-income, and extremely low-income households. The PBRA program serves some of the Nation's most vulnerable populations, including seniors and persons with disabilities (demographic detail below in chart). The total for contract renewals and amendments includes \$61 million for contracts converted to PBRA via the Rental Assistance Demonstration (RAD) requiring PBRA budget authority for the first time. The total also includes \$184 million for legacy contract renewals from the Mod Rehab and SRO programs. This total does not include any funding for Mark-to-Market (M2M) budget-based rent adjustments (BBRAs).

PBRA contracts are public-private partnerships working with for-profit and non-profit property owners in local communities; PBRA contracts provide a crucial Federal investment in the Nation's stock of deeply affordable housing. In places of disinvestment, PBRA improves housing quality and safety through more stringent management and occupancy standards than are generally required under State and local law. In places with high housing costs, PBRA provides access to affordable housing not otherwise available for many households.

The program maintains and protects the long-term Federal investment in these assets. Nationally, only 38 affordable units are available per 100 extremely low-income renters. Approximately 52 percent of assisted households are headed by seniors, 15 percent by persons with disabilities, and 22 percent by families with children. Without rental assistance, many of these households would not be able to access housing at local market rates or would have very high housing costs. Households that are burdened with high housing costs, income growth unable to keep pace with rent costs, or strong competition for available rental units each have a detrimental effect on the availability of units affordable to renters with incomes at and below 50 percent of Area Median Income (AMI). PBRA funding directly reduces worst-case housing needs by providing affordable housing to populations likely to be in this situation, including families with children, seniors, and persons with disabilities.

The PBRA program is a crucial component of the Federal housing safety net for people in need. PBRA-assisted multifamily housing stabilizes neighborhoods and supports greater local economic opportunity. The program contributes to employment, increases the buying power of assisted tenants in support of local businesses, and increases local tax bases. The PBRA program directly contributes to job creation and retention in the fields of property management, maintenance, general construction, and contract work such as landscaping, pest control, security, snow removal, equipment servicing, legal representation, and property insurance. Because PBRA contracts are a place-based investment, they provide opportunities for the Department to engage with communities where they are located and foster connections between PBRA properties and health-related initiatives and supportive services programs at the local level.

Without ongoing rental income, some properties may be unable to continue payments on existing debt, including mortgages insured by the Federal Housing Administration (FHA) or backed by bonds issued by State housing finance agencies. More than 4,900 PBRA properties carry financing issued by FHA. The periodic refinancing of the debt underlying projects assisted by PBRA generates significant capital for investment in construction repairs and improvements.

Rental Assistance Demonstration (RAD) Activities

RAD conversion to a long-term section 8 contract under PBRA or Project-Based Vouchers (PBV) under the TBRA account is a powerful tool to secure the Federal safety net that has preserved over 233,000 affordable homes thus far. Through RAD, PHAs and other owners are able to re-invest in and preserve properties so that they can continue to support affordability into the future.

The outcomes associated with the converted public housing units are particularly noteworthy:

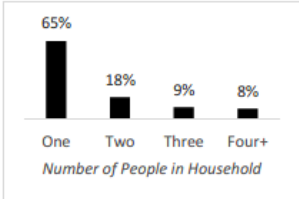
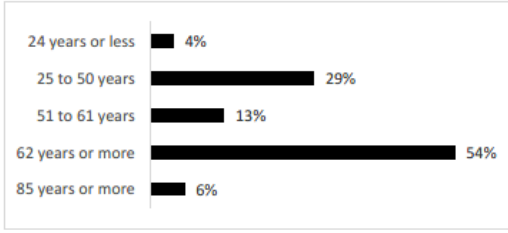
- PHA development teams generated over \$26 billion, or over \$100,000 per home, for the rehabilitation or redevelopment of modern, safe, and affordable housing for low-income households. These teams have secured over \$18 for every \$1 of appropriated public housing funds contributed to project budgets.

- Some of the most distressed public housing apartments have been demolished and replaced with over 23,000 newly constructed affordable homes.
- Over 10,000 homes have been moved into neighborhoods with greater access to jobs, schools, and transportation.
- All properties have been evaluated for and required to mitigate harmful substances, including radon, lead, asbestos, carbon monoxide, and mold.
- Over 500,000 jobs have been created, directly or indirectly, through RAD construction activities, including many jobs for low-income persons through HUD's Section 3 requirements.

Despite the progress made through RAD, the remaining public housing stock has a substantial capital needs backlog. Similarly, many properties assisted under Section 202 and Section 811 PRACs have reached an age in their lifecycle where they require rehabilitation and modernization to address capital needs, incorporate broadband technology, upgrade facilities to provide greater levels of support to an aging population, and make other necessary improvements. The public housing, Section 202 project rental assistance contracts (PRAC), and Section 811 project rental assistance contracts (PRAC) portfolios, long hindered by inattention to lifecycle capital improvements and modernization, require a cost-effective, leveraged strategy to achieve comprehensive modernization and to ensure that benefits of improved or redeveloped assets are achieved throughout the country.

Performance-Based Contract Administrators

The Budget includes \$529 million to ensure critical PBCA fee-based services continue without interruption in 2027. These funds support Management and Occupancy Reviews, processing monthly Housing Assistance Payments (HAP) voucher reviews and payments, responding to resident complaints, verifying program compliance, processing HAP Contract renewals, processing rent adjustments, and other PBCA services that support the efficiency and quality of the program. From time to time, new RAD properties enter the PBRA portfolio and require contract administration, so the requested level includes support for a small number of transfers.

Q1 2026 Project-Based Rental Assistance (PBRA) Tenant Characteristics¹												
<p>How many households and people are served?</p> <p>2.0 million people</p> <p>1.2 million households</p>	<p>What are the racial and ethnic characteristics of the people served?</p> <p>31% of the people served are White, non-Hispanic and 69% are in a racial or ethnic minority group.</p> <table border="1"> <thead> <tr> <th><i>Asian/Pacific Islander, non-Hispanic</i></th> <th><i>Black, non-Hispanic</i></th> <th><i>Hispanic</i></th> <th><i>Native American, non-Hispanic</i></th> <th><i>White, non-Hispanic</i></th> </tr> </thead> <tbody> <tr> <td>5%</td> <td>41%</td> <td>21%</td> <td>1%</td> <td>31%</td> </tr> </tbody> </table>	<i>Asian/Pacific Islander, non-Hispanic</i>	<i>Black, non-Hispanic</i>	<i>Hispanic</i>	<i>Native American, non-Hispanic</i>	<i>White, non-Hispanic</i>	5%	41%	21%	1%	31%	<p>What are the characteristics of the heads of household?</p> <p>Female headed families with children 22%</p> <p>Older Adults (62+) 54%</p> <p>People younger than 62 with disabilities 14%</p>
<i>Asian/Pacific Islander, non-Hispanic</i>	<i>Black, non-Hispanic</i>	<i>Hispanic</i>	<i>Native American, non-Hispanic</i>	<i>White, non-Hispanic</i>								
5%	41%	21%	1%	31%								
<p>How big are the households?</p> 	<p>How old are the heads of household?</p> 	<p>What is the share of rent paid by the tenant and HUD?</p> <p>Average household contribution: \$389</p> <p>Average HUD Contribution: \$1,174</p>										
<p>What are the income levels of assisted households?</p> <p>Assisted households have an average gross income of \$16,427. 74% of households have incomes of \$20,000 or less per year</p>		<p>How do household incomes compare to the local area median income?</p> <p>Extremely low income (less than 30% AMI) 82%</p> <p>Very low income (30% to 50% AMI) 16%</p> <p>Low Income (50% to 80% AMI) 2%</p>										

¹ Some percentage totals not equal to 100 due to rounding. Missing values are excluded from reported percentages.

² The number of households served at any given time and for which there are data reported may not total the number of PBRA housing units under contract. However, the data on the characteristics of the 1.2 million reported households are representative of who is served through PBRA.

Source: Households reported to HUD's TRACS systems (via Form-50059) as of 12/31/2025 with effective dates spanning the prior 18 months.

Key Assumptions

For 2027, HUD is requesting legislative authority to maintain property rents at the levels approved in 2026.

The PBCA level assumes continuation of services under extension of current agreements and includes projected inflationary increases in fees that are indexed with changes in Fair Market Rent. The Budget does not assume carryover balances to support PBCAs.

Stakeholders

HUD collaborates with a range of stakeholders, including PHAs, PBCAs, property owners/managers, tenant advocacy organizations, congressional committees, research institutions/think tanks, industry, and other Federal agencies to ensure the successful implementation of the PBRA program. HUD regularly meets with residents, advocates, state and local officials, owners, and property managers to disseminate and explain program updates and collect feedback to inform program implementation and policy. This collaborative approach helps HUD address challenges, make informed policy decisions, and improve the overall effectiveness of the program. The Administration is working to make the PBRA program more effective by enhancing stakeholder engagement, streamlining administrative processes, promoting flexibility and local decision-making, encouraging public-private partnerships, and improving data collection and analysis. These strategies aim to optimize the Federal Government's support for affordable housing.

Summary of Resources by Program

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Adjustments	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Adjustments	2026 Total Resources	2027 President's Budget
Contract Renewals	16,422,000	235,589	41,862	16,699,451	16,414,185	17,963,905	266,327	35,000	18,285,232	17,111,000
Advanced Appropriations from last Fiscal Year [Non-Add]	400,000	-	-	400,000	-	400,000	-	-	400,000	400,000
Advance Appropriations for next Fiscal Year [Non-Add]	400,000	-	-	400,000	-	400,000	-	-	400,000	400,000
Classified as Emergency/Disaster [Non-Add]	2,000,000	252	-	2,000,252	1,972,359	-	27,855	-	27,855	-
Mod Rehab and SRO Renewals [Non-Add]	183,000	47,839	-	230,839	127,099	86,260	103,740	-	190,000	184,000
Mark-to-Market Rent Adjustments	-	-	-	-	1,000	50,095	17,213	-	67,308	-
Contract Administrators	468,000	-	-	468,000	468,000	509,000	-	24,000	533,000	529,000
Tenant Education and Outreach	-	6,066	-	6,066	-	-	6,066	-	6,066	-
Contract Renewals CARES Act	-	322	-	322	-	-	451	-	451	-
Rescission - Unobligated Legacy RAD Balances	-	4,258	-	4,258	-	-	4,258	-	4,258	-
Total	16,890,000	246,235	41,862	17,178,097	16,883,185	18,543,000	294,315	59,000	18,896,315	17,640,000

a/ The net 2026 adjustment of \$35 million for Contract Renewals reflects an additional \$59 million transferred to PBRA for RAD conversions minus \$24 million that is reprogrammed to Contract Administrators.

b/ While not shown in the 2027 President's Budget column above, please note that the 2027 Budget includes a proposed rescission of \$4.3 million in unobligated legacy RAD balances.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

General Provisions

The 2027 President's Budget proposes the following general provisions:

- **Transfers of Assistance, Debt, and Use Restrictions:** This provision allows the Secretary to authorize the transfer of some or all project-based assistance, debt held or insured by the Secretary, and statutorily required low-income and very low-income use restrictions, if any, associated with one or more obsolete multifamily housing project(s) to a viable multifamily housing project. (Sec. 204)
- **Assistance for Students at Institutions of Higher Education:** This provision clarifies the eligibility for assistance under section 8 of the United States Housing Act of 1937. (Sec. 205)
- **Management and Disposition of Certain Multifamily Projects:** This provision governs the use of project-based subsidy in connection with managing and disposing of multifamily properties. (Sec. 206)
- **Rental Assistance Demonstration:** This provision removes the limit on number of units that may convert assistance under the First Component of RAD. (Sec. 218)
- **Whistleblower Protections:** This provision provides HUD the clear authority to expeditiously include whistleblower protections of 41 U.S.C. 4712 within all contracts and grants, including project-based rental assistance contracts, rather than wait until there is a major modification. (Sec. 222)
- **Lump Sum Interest Reduction Payments:** This provision permanently allows HUD to accelerate Interest Reduction Payment (IRP) subsidy payments to the 29 remaining Section 236 IRP properties, so that HUD could end the IRP program and the accompanying decoupling program. Accelerating payments to these properties would allow owners to pay their debt service in a lump sum or continue monthly payments as scheduled. This change only modifies the disbursement of the funds, relieving HUD and the owner of administration costs, without altering affordability restrictions on the property. (Sec. 223)

- **PBCA Modifications:** This provision allows HUD to make the Performance-Based Contract Administrator (PBCA) solicitation process a Notice of Funding Opportunity (awarded cooperative agreements) rather than a procurement under the FAR, as currently required by court rulings. The language makes agreements on a state-by-state basis rather than regional and would make only public housing agencies (PHAs) (including State Housing Finance Agencies) eligible. If a PHA is not selected for any given state through the notice, then HUD would use a procurement contract to select an administrator. (Sec. 224)
- **Mod Rehab and SRO Sunset:** The PBRA account supports approximately 18,000 affordable units through the legacy Moderate Rehabilitation (Mod Rehab) and Single Room Occupancy (SRO) programs on year-to-year contracts. These units have a path to enter long-term Section 8 contracts through RAD (PBRA or PBV). Alternatively, owners can opt out of the Mod Rehab and SRO programs at contract expiration, in which case eligible families receive tenant protection vouchers (TPVs). HUD has already been conducting outreach to owners on these potential paths. This provision sunsets these two legacy programs within three years, giving owners time to develop plans for transition to one of these two alternative platforms. (Sec. 225)
- **Mark-to-Market Extension:** This provision extends the authority to run the Mark to Market (M2M) program under Section 579 of MAHRAA to 2029 from its current expiration on September 30, 2027. Without the M2M program to reduce the debt, there may be a risk of default on the FHA-insured Section 8 properties if, because of reduced Section 8 rents, owners of these properties can no longer pay for property maintenance and mortgage payments. An extension of the M2M program will allow for the continuation of post-M2M debt assignment or forgiveness in Qualified Non-Profit preservation transactions and asset management of post-M2M debt. (Sec. 226)
- **Rent Adjustments:** The Department provides project-based rental subsidies through programs such as Project-Based Rental Assistance (PBRA), Housing for the Elderly, and Housing for Persons with Disabilities, to approximately 20,000 private multifamily owners, for approximately 1.4 million households. The majority of these contracts are governed by the Multifamily Assisted Housing Reform and Affordability Act (MAHRAA), which requires the Department to provide annual rent adjustments. This provision enables the Department to suspend any requirement, including in MAHRAA, to provide annual rental adjustments in 2027. (Sec. 227)
- **Cancellations:** This proposal cancels certain balances. (Sec. 229)
- **Work Requirements and Time Limits:** This provision gives the Secretary permanent authority to require PHAs and multifamily property owners to implement work requirements and time limits for assisted families other than those who fall into an exempted category, for example due to their age or status as a disabled individual. (Sec. 232)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For activities and assistance for the provision of project-based subsidy contracts under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) ("the Act"), not otherwise provided for, \$17,240,000,000, to remain available until expended, shall be available on October 1, 2026 (in addition to the \$400,000,000 previously appropriated under this heading that became available October 1, 2026), and \$400,000,000, to remain available until expended, shall be available on October

1, 2027: Provided, That the amounts made available under this heading shall be available for expiring or terminating section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for amendments to section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11401), for renewal of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990, and for administrative and other expenses associated with project-based activities and assistance funded under this heading: Provided further, That of the total amounts provided under this heading, not to exceed \$529,000,000 shall be available for performance-based contract administrators for section 8 project-based assistance, for carrying out 42 U.S.C. 1437(f): Provided further, That the Secretary may also use such amounts in the preceding proviso for performance-based contract administrators for the administration of: interest reduction payments pursuant to section 236(a) of the National Housing Act (12 U.S.C. 1715z-1(a)); rent supplement payments pursuant to section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s); section 236(f)(2) rental assistance payments (12 U.S.C. 1715z-1(f)(2)); project rental assistance contracts for the elderly under section 202(c)(2) of the Housing Act of 1959 (12 U.S.C. 1701q); project rental assistance contracts for supportive housing for persons with disabilities under section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(d)(2)); project assistance contracts pursuant to section 202(h) of the Housing Act of 1959 (Public Law 86-372; 73 Stat. 667); and loans under section 202 of the Housing Act of 1959 (Public Law 86-372; 73 Stat. 667): Provided further, That amounts recaptured under this heading, the heading "Annual Contributions for Assisted Housing", or the heading "Housing Certificate Fund", may be used for renewals of or amendments to section 8 project-based contracts or for performance-based contract administrators, notwithstanding the purposes for which such amounts were appropriated: Provided further, That, notwithstanding any other provision of law, upon the request of the Secretary, project funds that are held in residual receipts accounts for any project subject to a section 8 project-based housing assistance payments contract that authorizes the Department or a housing finance agency to require that surplus project funds be deposited in an interest-bearing residual receipts account and that are in excess of an amount to be determined by the Secretary, shall be remitted to the Department and deposited in this account, to be available until expended: Provided further, That amounts deposited pursuant to the preceding proviso shall be available in addition to the amount otherwise provided by this heading for uses authorized under this heading.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Housing

Housing for the Elderly (Section 202)

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	931,400	399,215	-	(27,308)	1,303,307	1,152,479	964,000
2026 Appropriation	1,031,000	150,906	-	(36,000)	1,145,906	995,000	1,007,000
2027 President's Budget	959,000	148,000	-	(30,000)	1,077,000	929,000	1,222,000
Change from 2026	(72,000)	(2,906)	-	6,000	(68,906)	(66,000)	215,000

a/ 2025 Carryover includes \$5.2 million in recoveries of prior year unpaid obligations and \$2.3 million in offsetting collections.

b/ 2025 Transfers include \$27.3 million in transfers to Project-Based Rental Assistance for the Rental Assistance Demonstration (RAD) program.

c/ 2026 Carryover includes \$1.2 million in recoveries of prior year unpaid obligations and an estimated \$1.0 million in offsetting collections.

d/ 2026 Transfers include an estimated \$36 million in transfers to Project-Based Rental Assistance for the RAD program.

e/ 2027 Transfers include an estimated \$30 million in transfers to Project-Based Rental Assistance for the RAD program.

PROGRAM PURPOSE

The Housing for the Elderly (Section 202) program provides affordable housing with supportive services for the elderly through rental assistance contracts. The Section 202 program supports nonprofit entities in operating affordable housing for very low-income elderly tenants. Section 202 provides seniors with rental options that allow them to live independently and in an environment that provides a connection to supportive services such as cleaning, cooking, and transportation. Section 202 provides project-based rental assistance that covers the difference between HUD-approved operating costs of the project and the tenants' contributions toward rent. Prior year appropriations have also provided capital advance assistance to support new construction or rehabilitation of affordable housing for the elderly.

BUDGET OVERVIEW

The 2027 President's Budget requests \$959 million for Housing for the Elderly, which is \$72 million below the 2026 Enacted level. This includes:

- \$832 million for PRAC/SPRAC contract renewals and amendments;
- \$122 million for Service Coordinators/Congregate Services; and
- \$5 million for administrative and other related expenses.

JUSTIFICATION

The Section 202 Housing for the Elderly program provides affordable housing options with supportive services and accessibility features to vulnerable, very low-income elderly individuals. The Section 202 program is currently the only federally funded program that expressly addresses the need for affordable elderly rental housing.

PRAC/SPRAC Renewals and Amendments - \$832 million

The Budget includes \$832 million for Section 202 Project Rental Assistance Contract (PRAC)/Senior Preservation Rental Assistance Contract (SPRAC) renewals and amendments. The proposed amount will provide annual funding for approximately 118,000 households covered by the 2,800 contracts requiring renewal or amendment through December 2025. An additional 88 contracts covering 7,300 units will continue to receive monthly assistance in 2025 from initial PRAC awards and other

balances obligated in prior years. Continuation of annual operating cost support for all PRAC/SPRAC units helps address intensifying national needs for affordable housing for seniors. Demand from renters for Federal housing support dramatically exceeds supply, especially for older renters with very low-incomes, defined as less than or equal to 50 percent of area median income. In 2021, the number of renters aged 62 and over eligible for HUD rental assistance reached 5.9 million, an increase of almost 50 percent since 2011.¹

Service Coordinator/Congregate Housing Services - \$122 million

The Budget includes \$122 million to fully fund the renewal of the approximately 1,500 existing Service Coordinator and Congregate Housing Services grants. These grants support independent living and guard against premature transitions to nursing home care. Older adults living in HUD-assisted housing are more likely, on average, to have multiple chronic conditions than other older adults. Service coordination connects residents to the supportive services that they need to continue living independently and age in community-based settings.

The Congregate Housing Services Program (CHSP) is a legacy program that now only funds renewals for 30 remaining grants. CHSP subsidizes the cost of supportive services that are provided on-site and in participants' homes, which may include, but are not limited to, congregate meals, housekeeping, personal assistance, transportation, and case management.

Other Expenses - \$5 million

The Budget provides \$5 million for the following contract services:

- Construction inspection for Capital Advance properties;
- Notes servicing for HUD-held notes;
- Commercial portfolio risk analytics and risk modeling; and
- Property Disposition:
 - Specialized inspection property analysis;
 - Marketing and advertisement placement;
 - Appraisals; and
 - Property management relocation services.

¹ "Housing America's Older Adults 2023". Joint Center for Housing Studies of Harvard University. Page 18. <https://www.jchs.harvard.edu/research-areas/aging>

Q1 2026 Section 202 Tenant Characteristics¹																								
<p>How many households and people are served?</p> <p>126 thousand people</p> <p>118 thousand households²</p>	<p>What are the racial and ethnic characteristics of the people served?</p> <p>45% of the people served are White, non-Hispanic and 55% are in a racial or ethnic minority group.</p> <table border="1"> <thead> <tr> <th><i>Asian/Pacific Islander</i></th> <th><i>Black, non-Hispanic</i></th> <th><i>Hispanic</i></th> <th><i>Native American</i></th> <th><i>White, non-Hispanic</i></th> </tr> </thead> <tbody> <tr> <td>12%</td> <td>24%</td> <td>18%</td> <td>1%</td> <td>45%</td> </tr> </tbody> </table>	<i>Asian/Pacific Islander</i>	<i>Black, non-Hispanic</i>	<i>Hispanic</i>	<i>Native American</i>	<i>White, non-Hispanic</i>	12%	24%	18%	1%	45%	<p>What are the characteristics of the heads of household?</p> <p>Female headed families with children 0%</p> <p>Older adults (62+) 99%</p> <p>People younger than 62 with disabilities 1%</p>												
<i>Asian/Pacific Islander</i>	<i>Black, non-Hispanic</i>	<i>Hispanic</i>	<i>Native American</i>	<i>White, non-Hispanic</i>																				
12%	24%	18%	1%	45%																				
<p>How big are the households?</p> <table border="1"> <thead> <tr> <th>Number of People in Household</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>93%</td> </tr> <tr> <td>Two</td> <td>7%</td> </tr> <tr> <td>Three</td> <td>0%</td> </tr> <tr> <td>Four+</td> <td>0%</td> </tr> </tbody> </table>	Number of People in Household	Percentage	One	93%	Two	7%	Three	0%	Four+	0%	<p>How old are the heads of household?</p> <table border="1"> <thead> <tr> <th>Age Group</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>24 years or less</td> <td>0%</td> </tr> <tr> <td>25 to 50 years</td> <td>0%</td> </tr> <tr> <td>51 to 61 years</td> <td>0%</td> </tr> <tr> <td>62 years or more</td> <td>99%</td> </tr> <tr> <td>85 years or more</td> <td>16%</td> </tr> </tbody> </table>	Age Group	Percentage	24 years or less	0%	25 to 50 years	0%	51 to 61 years	0%	62 years or more	99%	85 years or more	16%	<p>What is the share of rent paid by the tenant and HUD?</p> <p>Average household contribution: \$401</p> <p>Average HUD Contribution: \$585</p>
Number of People in Household	Percentage																							
One	93%																							
Two	7%																							
Three	0%																							
Four+	0%																							
Age Group	Percentage																							
24 years or less	0%																							
25 to 50 years	0%																							
51 to 61 years	0%																							
62 years or more	99%																							
85 years or more	16%																							
<p>What are the income levels of assisted households?</p> <p>Assisted households have an average gross income of \$17,287.</p> <p>72% of households have incomes of \$20,000 or less per year</p>		<p>How do household incomes compare to the local area median income?</p> <p>Extremely low income (less than 30% AMI) 79%</p> <p>Very low income (30% to 50% AMI) 20%</p> <p>Low Income (50% to 80% AMI) 1%</p>																						

¹ Some percentage totals not equal to 100 due to rounding. Missing values are excluded from reported percentages.

² The number of households served at any given time and for which there are data reported may not total the number of Section 202 housing units under contract. However, the data on the characteristics of the 1.2 million reported households are representative of who is served through Section 202.

Source: Households reported to HUD's TRACS systems (via Form-50059; includes programs: S202/PRAC and S202/162 PAC) as of 12/2025 with effective dates spanning the prior 18 months.

The average adjusted annual household income for Section 202 PRAC tenants is approximately \$16,854. According to the American Housing survey, fewer than 38.8 percent of very low-income older adult households received any type of rental assistance. The demand for such programs is likely to increase further as the baby boomer generation continues to age. In addition to demand outpacing investments in elderly housing, the number of older Americans aged 62 and over with worst-case housing needs (meaning that they pay more than half their income in rent and/or live in severely inadequate conditions) is increasing. HUD's Worst-Case Housing Needs 2025 Report to Congress found that, in 2023, 2.46 million renter households headed by an elderly person had worst-case housing needs, an increase of 113,000 since 2021. This increase is largely attributed to the growing population of elderly, very low-income (VLI) renter households, of which 40 percent had worse-case housing needs in 2021. Low-income elderly households that rely on fixed incomes may be less likely than households with wage income to benefit from positive economic trends and may be negatively affected by rising market rents. Section 202 helps to reduce the number of vulnerable seniors experiencing worst-case housing needs or homelessness. With the assistance of service coordinators, many of these residents can access community-based services designed to help them stay longer in their housing, age in the community, and avoid more expensive institutional settings.

Key Assumptions

For 2027, HUD is requesting legislative authority to maintain property rents at the levels approved in 2026. Baseline needs for 2026 have also been adjusted to account for PRAC contracts converting to

Project-Based Rental Assistance (PBRA) through the Rental Assistance Demonstration (RAD) program.

The 2027 Service Coordinator/Congregate Housing Services request incorporates an estimated three percent cost-of-living adjustment (COLA) for service coordinator salaries. The COLA is published annually by the Social Security Administration.

Stakeholders

HUD collaborates with a range of stakeholders including property nonprofit owners/managers, tenant advocacy organizations, service providers, congressional committees, research institutions/think tanks, industry partners, and other Federal Agencies to ensure the successful implementation of the Section 202 program. HUD regularly meets with residents, advocates, owners, property managers, State and local officials, and service coordinators through association meetings, conferences, and individual meetings to disseminate and explain program status and updates and collect feedback to inform program implementation and policy. This collaborative approach helps HUD address challenges, gather feedback, make informed policy decisions, and improve the overall effectiveness of the program.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Adjustments	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Adjustments	2026 Total Resources	2027 President's Budget
Elderly PRAC/SPRAC										
Renewals/Amendments	815,400	241,189	(5,083)	1,051,506	979,951	905,000	77,167	(36,000)	946,167	832,000
Service Coordinators/Congregate Services	112,000	111,761	-	223,761	154,488	122,000	67,739	-	189,739	122,000
Intergenerational Dwelling Units	-	35,000	(16,960)	18,040	18,040	-	-	-	-	-
Capital Advance Preservation	-	11,265	(5,265)	6,000	-	-	6,000	-	6,000	-
Other Expenses	4,000	-	-	4,000	-	4,000	-	-	4,000	5,000
Senior Preservation Rental Assistance Contracts SPRAC [Expansion] [Non-Add]	-	500	(500)	-	-	-	-	-	-	-
Total	931,400	399,215	(27,308)	1,303,307	1,152,479	1,031,000	150,906	(36,000)	1,145,906	959,000

a/ 2025 Carryover includes \$5.2 million in recoveries of prior year unpaid obligations and \$2.3 million in offsetting collections.

b/ 2025 Transfers include \$27.3 million in transfers to Project-Based Rental Assistance for the RAD program.

c/ 2026 Carryover includes \$1.2 million in recoveries of prior year unpaid obligations and an estimated \$1.0 million in offsetting collections.

d/ 2026 Transfers include an estimated \$36 million in transfers to Project-Based Rental Assistance for the RAD program.

e/ 2027 Transfers include an estimated \$30 million in transfers to Project-Based Rental Assistance for the RAD program.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

The 2027 President’s Budget proposes the following general provisions:

- **Transfers of Assistance, Debt, and Use Restrictions:** This provision allows the Secretary to authorize the transfer of some or all project-based assistance, debt held or insured by the Secretary, and statutorily required low-income and very low-income use restrictions, if any, associated with one or more obsolete multifamily housing project(s) to a viable multifamily housing project. (Sec. 204)
- **Management and Disposition of Certain Multifamily Projects:** This provision governs the use of project-based subsidy in connection with managing and disposing of multifamily properties. (Sec. 206)
- **Rent Adjustments:** The Department provides project-based rental subsidies through programs such as Project-Based Rental Assistance (PBRA), Housing for the Elderly, and Housing for Persons with Disabilities, to approximately 20,000 private multifamily owners,

for approximately 1.4 million households. The majority of these contracts are governed by the Multifamily Assisted Housing Reform and Affordability Act (MAHRAA), which requires the Department to provide annual rent adjustments. This provision enables the Department to suspend any requirement, including in MAHRAA, to provide annual rental adjustments in 2027. (Sec. 227)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), for project rental assistance for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 5-year term, for senior preservation rental assistance contracts, including renewals, as authorized by section 811(e) of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note), and for supportive services associated with the housing, and for administrative and other expenses associated with assistance funded under this heading, \$959,000,000, to remain available until September 30, 2030: Provided, That of the amount made available under this heading, up to \$122,000,000 shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects: Provided further, That upon request of the Secretary, project funds that are held in residual receipts accounts for any project subject to a section 202 project rental assistance contract, and that upon termination of such contract are in excess of an amount to be determined by the Secretary, shall be remitted to the Department and deposited in this account, to remain available until September 30, 2030: Provided further, That amounts deposited in this account pursuant to the preceding proviso shall be available, in addition to the amounts otherwise provided by this heading, for the purposes authorized under this heading: Provided further, That unobligated balances, including recaptures and carryover, remaining from funds transferred to or appropriated under this heading shall be available for the current purposes authorized under this heading in addition to the purposes for which such funds originally were appropriated.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Housing

Housing for Persons with Disabilities (Section 811)

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	256,700	337,000	-	-	593,700	256,638	269,000
2026 Appropriation	287,000	332,572	-	-	619,572	285,000	309,000
2027 President's Budget	266,000	338,572	-	-	604,572	266,000	394,000
Change from 2026	(21,000)	6,000	-	-	(15,000)	(19,000)	85,000

PROGRAM PURPOSE

The Housing for Persons with Disabilities program (Section 811) provides project-based rental assistance to very low-income persons with disabilities to live independently in integrated housing settings with community-based support and services. This community-based support and services include case management, housekeeping, and daily living assistance. The assistance under Section 811 covers the difference between HUD-approved operating costs of the project and the tenants' contributions toward rent. Prior year appropriations have also provided (1) capital advance assistance to support new construction or rehabilitation of affordable housing for persons with disabilities, and (2) Section 811 Project-Rental Assistance (PRA), which provides funding to State Housing Finance Agencies (HFAs) for project-based rental operating assistance to privately owned properties housing extremely low-income persons with disabilities. HFAs collaborate with State Health and Human Services/Medicaid Agencies to contract with nonprofit property owners to provide long-term rental assistance with supportive services to persons with disabilities.

BUDGET OVERVIEW

The 2027 President's Budget requests \$266 million for the Housing for Persons with Disabilities account, which is \$21 million less than the 2026 Enacted level. This includes: \$262 million for contract renewals and amendments and up to \$4 million for related administrative and other expenses.

JUSTIFICATION

The Section 811 Housing for Persons with Disabilities program provides affordable housing for individuals with disabilities. This program promotes independent living through integration within larger affordable housing developments and provides tenants with access to supportive services such as case management, personal assistance, and increased connection to community resources.

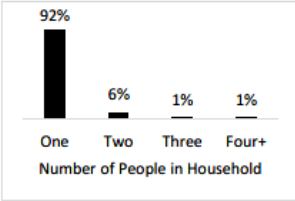
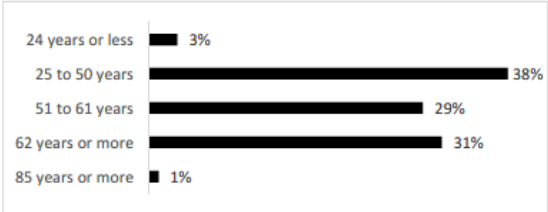
PRAC/PAC/PRA Renewals and Amendments - \$262 million

The 2027 Budget provides \$262 million for renewals and amendments of Section 811 Project Rental Assistance Contracts (PRAC), PAC (Project Assistance Contracts), and Project Rental Assistance (PRA) contracts to support affordable rental homes for very low-income persons with disabilities. The requested amount will fully fund rental assistance for approximately 34,000 households under 3,470 contracts requiring renewal or amendment from January 2027 through December 2027. An additional 318 contracts covering 2,850 units will continue to receive monthly assistance in 2027 from initial PRAC awards and other balances obligated in prior years.

Capital Advance Amendments and Other Expenses - \$4 million

The Budget provides up to \$4 million for the following contract services:

- Construction inspection for Capital Advance properties;
- Notes servicing for HUD-held notes;
- Commercial portfolio risk analytics and risk modeling; and
- Property Disposition:
 - Specialized inspection property analysis;
 - Marketing and advertisement placement;
 - Appraisals; and
 - Property management relocation services.

Q1 2026 Section 811 Tenant Characteristics																								
<p>How many households and people are served?</p> <p>37 thousand people</p> <p>33 thousand households</p>	<p>What are the racial and ethnic characteristics of the tenants?</p> <p>56% of the people served are White, non-Hispanic and 44% are in a racial or ethnic minority group.</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="font-size: small;">Asian/Pacific Islander</th> <th style="font-size: small;">Black, non-Hispanic</th> <th style="font-size: small;">Hispanic</th> <th style="font-size: small;">Native American</th> <th style="font-size: small;">White, non-Hispanic</th> </tr> </thead> <tbody> <tr> <td>2%</td> <td>30%</td> <td>10%</td> <td>1%</td> <td>56%</td> </tr> </tbody> </table>	Asian/Pacific Islander	Black, non-Hispanic	Hispanic	Native American	White, non-Hispanic	2%	30%	10%	1%	56%	<p>What are the characteristics of the heads of household?</p> <p>Female headed families with children 3%</p> <p>Older adults (62+) 31%</p> <p>People younger than 62 with disabilities 68%</p>												
Asian/Pacific Islander	Black, non-Hispanic	Hispanic	Native American	White, non-Hispanic																				
2%	30%	10%	1%	56%																				
<p>How big are the households?</p>  <table border="1" style="width: 100%; text-align: center; font-size: x-small;"> <thead> <tr> <th>Number of People in Household</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>92%</td> </tr> <tr> <td>Two</td> <td>6%</td> </tr> <tr> <td>Three</td> <td>1%</td> </tr> <tr> <td>Four+</td> <td>1%</td> </tr> </tbody> </table>	Number of People in Household	Percentage	One	92%	Two	6%	Three	1%	Four+	1%	<p>How old are the heads of household?</p>  <table border="1" style="width: 100%; text-align: center; font-size: x-small;"> <thead> <tr> <th>Age Group</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>24 years or less</td> <td>3%</td> </tr> <tr> <td>25 to 50 years</td> <td>38%</td> </tr> <tr> <td>51 to 61 years</td> <td>29%</td> </tr> <tr> <td>62 years or more</td> <td>31%</td> </tr> <tr> <td>85 years or more</td> <td>1%</td> </tr> </tbody> </table>	Age Group	Percentage	24 years or less	3%	25 to 50 years	38%	51 to 61 years	29%	62 years or more	31%	85 years or more	1%	<p>What is the share of rent paid by the tenant and HUD?</p> <p>Average household contribution: \$348</p> <p>Average HUD Contribution: \$644</p>
Number of People in Household	Percentage																							
One	92%																							
Two	6%																							
Three	1%																							
Four+	1%																							
Age Group	Percentage																							
24 years or less	3%																							
25 to 50 years	38%																							
51 to 61 years	29%																							
62 years or more	31%																							
85 years or more	1%																							
<p>What are the income levels of assisted households?</p> <p>Assisted households have an average gross income of \$14,680</p> <p>84% of households have incomes of \$20,000 or less per year</p>		<p>How do household incomes compare to the local area median income?</p> <p>Extremely low income (less than 30% AMI) 88%</p> <p>Very low income (30% to 50% AMI) 11%</p> <p>Low Income (50% to 80% AMI) 1%</p>																						

Note: Some percentage totals not equal to 100 due to rounding. Missing values are excluded from reported percentages.
 Source: Households reported to HUD's TRACS systems (via Form-50059; includes programs: S811 PRA and S811 PRAC) as of 12/2025 with effective dates spanning the prior 18 months.

The average annual household income for Section 811 PRAC tenants is approximately \$14,680. HUD's *Worst-Case Housing Needs: 2025 Report to Congress* found that 16.4 percent of very low-income renter households younger than 62 years old have at least one person with a disability. In 2023, 1.16 million very low-income renters experienced the worst-case needs, as this is attributed to individuals with disabilities having fewer employment options, and the lack of accessible options for suitable housing and workplaces. In addition, the monthly federal benefit rate for an individual with

disabilities is inadequate to cover the housing costs in many markets.¹ The Section 811 programs help to reduce the number of vulnerable individuals with disabilities experiencing worst-case housing needs. With the combined support of affordable and accessible housing, many residents are able to access the necessary community-based services and accommodations.

Key Assumptions

For 2027, HUD is requesting legislative authority to maintain property rents at the levels approved in 2026. The renewal amount reflects the full cost of renewing contracts.

Stakeholders

HUD collaborates with a range of stakeholders, including property nonprofit owners/managers, State and Local Governments, tenant advocacy organizations, Housing Counseling Agencies, congressional committees, research institutions/think tanks, industry partners, and other Federal Agencies to ensure the successful implementation of the Section 811 program. HUD regularly meets with residents, advocates, State and local officials, owners, and property managers through association meetings, conferences, and individual meetings to disseminate and explain program status and updates and collect feedback to inform program implementation and policy. This collaborative approach helps HUD address challenges, gather feedback, make informed policy decisions, and improve the overall effectiveness of the program.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Disabled PRAC/PAC/PRA Renewals and Amendments	255,700	88,790	344,490	248,000	287,000	158,000	445,000	262,000
Capital Advance and PRA (Expansion)	-	240,572	240,572	-	-	174,572	174,572	-
Capital Advance Amendments and Other Expenses	1,000	7,638	8,638	8,638	-	-	-	4,000
Total	256,700	337,000	593,700	256,638	287,000	332,572	619,572	266,000

¹ [Worst Case Housing Needs: 2025 Report to Congress](#)

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

General Provisions

The 2027 President's Budget proposes the following general provisions:

- Transfers of Assistance, Debt, and Use Restrictions: This provision allows the Secretary to authorize the transfer of some or all project-based assistance, debt held or insured by the Secretary, and statutorily required low-income and very low-income use restrictions, if any, associated with one or more obsolete multifamily housing project(s) to a viable multifamily housing project. (Sec. 204)
- Management and Disposition of Certain Multifamily Projects: This provision governs the use of project-based subsidy in connection with managing and disposing of multifamily properties. (Sec. 206)
- Rent Adjustments: The Department provides project-based rental subsidies through programs such as Project-Based Rental Assistance (PBRA), Housing for the Elderly, and Housing for Persons with Disabilities, to approximately 20,000 private multifamily owners, for approximately 1.4 million households. The majority of these contracts are governed by the Multifamily Assisted Housing Reform and Affordability Act (MAHRAA), which requires the Department to provide annual rent adjustments. This provision enables the Department to suspend any requirement, including in MAHRAA, to provide annual rental adjustments in 2027. (Sec. 227)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act, for project assistance contracts pursuant to subsection (h) of section 202 of the Housing Act of 1959, as added by section 205(a) of the Housing and Community Development Amendments of 1978 (Public Law 95-557: 92 Stat. 2090), including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 5-year term, for project rental assistance to State housing finance agencies and other appropriate entities as authorized under section 811(b)(3) of the Cranston-Gonzalez National Affordable Housing Act, for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for administrative and other expenses associated with assistance funded under this heading, \$266,000,000, to remain available until September 30, 2030: Provided, That, upon the request of the Secretary, project funds that are held in residual receipts accounts for any project subject to a section 811 project rental assistance contract, and that upon termination of such contract are in excess of an amount to be determined by the Secretary, shall be remitted to the Department and deposited in this account, to remain available until September 30, 2030: Provided further, That amounts deposited in this account pursuant to the preceding proviso shall be available in addition to the amounts otherwise provided by this heading for the purposes authorized under this heading: Provided further, That unobligated balances, including recaptures and carryover, remaining from funds transferred to or appropriated under this heading shall be used for the current purposes authorized under this heading in addition to the purposes for which such funds originally were appropriated.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Housing

Housing Counseling Assistance

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	57,500	10,374	-	-	67,874	11,324	76,135
2026 Appropriation	57,500	56,550	-	-	114,050	58,000	66,000
2027 President's Budget	-	58,000	-	-	58,000	58,000	57,000
Change from 2026	(57,500)	1,450	-	-	(56,050)	-	(9,000)

The 2027 President's Budget eliminates funding for the Housing Counseling Assistance program, which provides individuals and families with counseling on a spectrum of housing matters through a national network of HUD-approved housing counseling agencies and counselors.

The 2027 Budget recognizes a greater role for State and local governments, the private sector, and nonprofits to address housing, community, and economic development needs in localities across the Nation. Thus, HUD will continue to seek ways to partner with these governmental and private entities to adopt policies and reduce regulatory barriers that would allow communities to transform neighborhoods and unleash the potential of their residents.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Housing Counseling Assistance Program	53,000	10,037	63,037	10,037	53,000	56,100	109,100	-
Administrative Contract Services	4,500	337	4,837	1,287	4,500	450	4,950	-
Total	57,500	10,374	67,874	11,324	57,500	56,550	114,050	-

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Housing

Manufactured Housing Fees Trust Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	14,000	22,195	-	-	36,195	17,817	12,964
2026 Appropriation	14,000	18,377	(5,200)	-	27,177	13,905	13,000
2027 President's Budget	14,000	13,273	-	-	27,273	23,905	14,000
Change from 2026	-	(5,104)	5,200	-	96	10,000	1,000

a/ Included in 2025 Carryover is \$2.3 million in recaptures.

b/ Sec. 234 of P.L. 119-75 included a rescission of \$5.2 million in carryover funds.

PROGRAM PURPOSE

HUD's Office of Manufactured Housing Programs (OMHP) plays a critical role in ensuring access to affordable homeownership, supporting the Administration's goal of increasing the Nation's supply of affordable housing, and overseeing compliance with construction safety standards.

BUDGET OVERVIEW

The 2027 President's Budget requests \$14 million for the Manufactured Housing Fees Trust Fund program, which is equal to the 2026 Enacted level. This includes the following estimated amounts:

- \$4.6 million for payments to State Administrative Agencies;
- \$4.9 million for Monitoring Production Inspection Primary Inspection Agencies (IPIAs) and States;
- \$2.0 million for Monitoring Design Approval Primary Inspection Agencies (DAPIAs);
- \$988 thousand for Installation Inspection and Enforcement;
- \$728 thousand for Consumer Information and Dispute Resolution; and
- \$689 thousand for Manufactured Housing Consensus Committee Administering Organization.

HUD also plans to use up to \$10 million of unobligated, prior-year funds to advance initiatives in alignment with the Administration's priorities. The proposed allocation includes targeted investments in education and training activities, such as a strategic communications initiative to shift stigma and perception challenges to manufactured housing, State and Primary Inspection Agency training to strengthen program compliance, and specialized training for manufactured housing installers and inspectors to ensure consistent and effective oversight.

Carryover resources will also be directed toward critical IT needs, including system development and enhancements to improve the Program's operational efficiency and data management capabilities, in coordination with HUD's Office of the Chief Information Officer. These planned efforts are multi-year initiatives that may undergo scheduled changes and require funding flexibility. These funds are intended to be for temporary activities that do not permanently expand the Program's authorized uses or create recurring funding needs. All activities will ensure expenditures remain consistent with statutory program requirements, established budget authority, Administration priorities, and Departmental objectives.

The Department also proposes to change the program's period of availability from no-year to 3-year, in order to limit the ongoing accrual of unobligated balances. As HUD transitions to this new funding cycle, it will continue to have access to unobligated no-year carryover to ensure program readiness and continuity in the event of unforeseen requirements and to ensure state payments can continue throughout the fiscal year.

JUSTIFICATION

Manufactured housing contributes to the supply of safe and affordable housing and can help Americans realize the dream of homeownership. By enabling disadvantaged households to advance their own economic opportunities and build equity, OMHP directly supports the objective of sustainable homeownership and financial viability. Additionally, as a major source of FEMA-provided temporary housing, manufactured homes also support the short- and long-term objectives of disaster recovery.

As a regulatory office, OMHP is charged with ensuring the quality, safety, and durability of manufactured housing. Commensurate with this charge, OMHP administers oversight of all segments of the industry and monitors the success and impacts of the programs. Since the program's inception in 1976, the overall quality, safety, and durability of manufactured housing has improved while preserving affordability. The number of per capita fires and deaths in manufactured homes has been significantly reduced compared to homes produced before the HUD standards became effective. Manufactured homes produced under the HUD Code also perform better in high wind events due to enhancements to modern manufactured home construction standards. Moreover, the increased durability of manufactured homes produced under HUD's program has prompted broader availability of financing for manufactured homes including mortgage financing when the land is also being purchased.

Manufacturers pay a \$100 label fee per transportable home section (typically 1 to 2 transportable sections per home). HUD then uses these fees to perform statutorily required activities (e.g., State payments, monitoring and inspections, consensus committee administration). The in-plant inspections and quality assurance oversight are particularly important to ensure quality assurance programs are working properly and in compliance with HUD and other standards necessary to protect consumer safety. HUD collected approximately \$15.7 million in 2024 and \$16.8 million in 2025.

Funding will support the Department's implementation and oversight responsibilities for the national manufactured housing regulatory program, which includes updating construction, safety, and installation standards for manufactured homes nationwide. The 2027 Budget provides funding for HUD to conduct technical compliance and enforcement activities, as well as support meetings with State partners to increase State engagement and build consensus. The funding will support State inspection programs, incentivize State partnerships, increase State collaboration with OMHP, and fully support Manufactured Housing Consensus Committee (MHCC) and contracted assistance activities that support the rulemaking process. The 2027 Budget will also allow for continued contract assistance to develop more robust cost-benefit analyses for recommended standards and regulation updates and to enable a more expedient and streamlined rulemaking process.

MANUFACTURED HOUSING FEES TRUST FUND

User Fees

Fee	Statute	Where and How the Fee is Collected	2027 Fee Schedule	Estimated Collections (dollars in thousands)
Manufactured Home Certification Label Fee	42 U.S.C §5419 - Authority to Collect Fee	Manufactured Home manufacturers order certification labels from HUD using HUD Form 301 and pay the US Treasury through www.pay.gov at a fee of \$100 per label ordered.	In accordance with program regulations at 24 CFR §§ 3282.210 and 3284.5, each manufacturer, as defined in 24 CFR § 3282.7 must pay a fee of \$100 per transportable section of each manufactured housing unit that it manufactures under the requirements of the Manufactured Home Construction and Safety Standards.	\$18,000

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Manufactured Housing Fee Trust Fund -- General Fund	14,000	22,195	36,195	17,817	14,000	18,377	27,177	14,000
Total	14,000	22,195	36,195	17,817	14,000	18,377	27,177	14,000

a/ Reflected in the 2026 Total Resources is \$5.2 million in rescissions of 2026 Carryover included in Sec. 234 of P.L. 119-75.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

Appropriations Language Changes

The 2027 President's Budget changes the appropriations language in the following ways:

- Use of Unobligated Carryover: Provides HUD authority to use up to \$10 million in unobligated carryover on activities to modernize oversight procedures and help stakeholders more quickly adapt to and incorporate changes in the Manufactured Home Construction and Safety Standards (MHCSS) code.
- Period of Availability: Changes the period of availability of appropriated funds from no-year to three years. The intent of this change is to limit the accrual of unobligated balances, as well as accommodate unanticipated spending.

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For necessary expenses as authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.), up to \$14,000,000, to remain available until September 30, 2029, of which \$14,000,000 shall be derived from the Manufactured Housing Fees Trust Fund (established under section 620(e) of such Act (42 U.S.C. 5419(e)): Provided, That not to exceed the total amount appropriated under this heading shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund pursuant to section 620 of such Act: Provided further, That the amount made available under this heading from the general fund shall be reduced as such collections are received during fiscal year 2027 so as to result in a final fiscal year 2027 appropriation from the general fund estimated at zero, and fees pursuant to such section 620 shall be modified as necessary to ensure such a final fiscal year 2027 appropriation: Provided further, That, notwithstanding sections 620(a)(1), (c), and (e)(1) of such Act, the Secretary may use up to \$10,000,000 of unobligated funds from prior year appropriations to enter into contracts or agreements that support education and training activities to advance the purposes of such Act, of which up to \$2,500,000 may be transferred to and merged with amounts made available under the heading "Information Technology Fund" for the purpose of supporting manufactured housing oversight with activities authorized under that heading: Provided further, That for the dispute resolution and installation programs, the Secretary may assess and collect fees from any program participant: Provided further, That such collections shall be deposited into the Trust Fund, and the Secretary, as provided herein, may use such collections, as well as fees collected under section 620 of such Act, for necessary expenses of such Act: Provided further, That, notwithstanding the requirements of section 620 of such Act, the Secretary may carry out responsibilities of the Secretary under such Act through the use of approved service providers that are paid directly by the recipients of their services.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Housing

FHA – Mutual Mortgage Insurance Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	150,000	11,413	-	-	161,413	157,038	145,000
2026 Appropriation	160,000	8,000	-	-	168,000	157,375	157,000
2027 President's Budget	160,000	14,000	-	-	174,000	160,000	160,000
Change from 2026	-	6,000	-	-	6,000	2,625	3,000

a/ 2025 Carryover includes \$8.6 million in carryover and \$2.8 million in recaptures.

b/ 2026 Carryover includes \$5 million in carryover and \$3 million in anticipated recaptures.

c/ 2027 Carryover includes \$11 million in carryover and \$3 million in anticipated recaptures.

PROGRAM PURPOSE

Under the Federal Housing Administration (FHA) Single Family Housing programs, the Mutual Mortgage Insurance (MMI) Fund has insured over 60 million home mortgages since 1934. It provides mortgage insurance on single family mortgage loans made by FHA-approved lenders throughout the United States and its territories. FHA Single Family Housing programs provide mortgage insurance for the purchase, refinance, and rehabilitation of homes with 1 to 4 units. The MMI Fund aims to support access to homeownership for individuals and families who may face challenges obtaining affordable mortgage credit, including many first-time home buyers, lower-income households, and historically underserved communities. FHA also remains active and viable in all markets during times of economic disruption, playing an important countercyclical role until private capital returns to its normal levels. Through the MMI Fund, the Department offers several types of single family forward (traditional) mortgage insurance products and Home Equity Conversion Mortgages (HECMs) for seniors.

BUDGET OVERVIEW

The 2027 President's Budget requests \$160 million for FHA administrative contract expenses, which is equal to the 2026 Enacted Level. The 2027 Budget also includes \$400 billion in loan guarantee commitment authority and \$1 million in direct loan authority, both of which are equal to the 2026 Enacted Level.

JUSTIFICATION

The 2027 President's Budget requests \$160 million for the FHA MMI Program Account. This amount will provide funding for contracts necessary for the administration of FHA programs operating under the MMI and the General Insurance and Special Risk Insurance (GI/SRI) Funds. For budgetary purposes, the programs of the MMI Fund are broken into the two following risk categories:

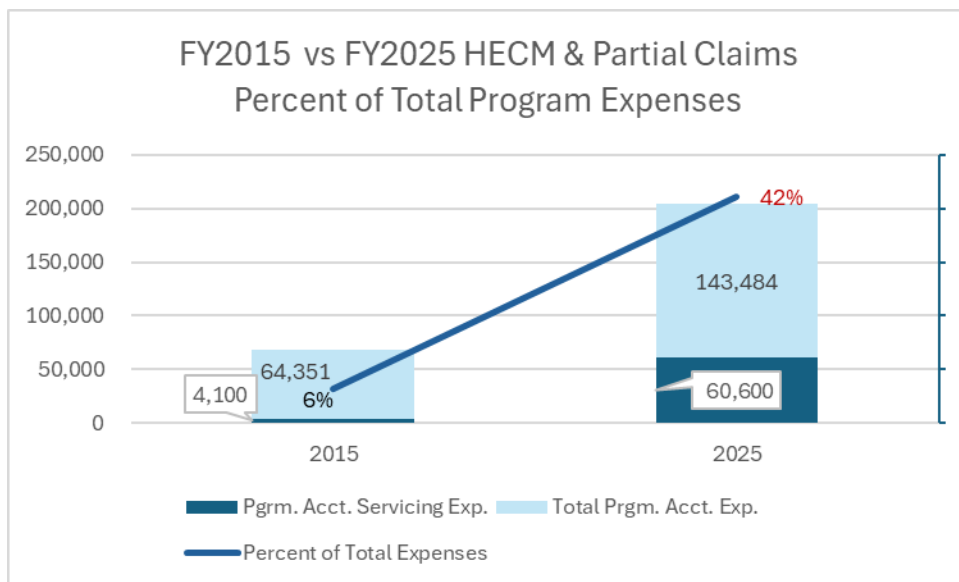
- Forward mortgage programs provide mortgage insurance for the purchase, refinance, and rehabilitation of homes with 1 to 4 units. Loan products under this category include forward mortgages on single-family homes, condominiums, homes purchased on Indian and Hawaiian lands, and rehabilitation loans. Maximum mortgage amounts insured by FHA (i.e., loan limits) are calculated annually by HUD and are generally set at 115 percent of the median house price in each county, subject to a "low-cost" floor and "high-cost" ceiling. There are also special exception loan limits for certain areas to account for higher construction costs.

- The HECM program provides senior homeowners aged 62 and older access to FHA-insured reverse mortgages, which enables them to access the equity in their homes to support their financial and/or housing needs as they age. The program fills a unique role in the national mortgage market. HECM loans provide various distribution options for seniors, including monthly payments, draws from a line of credit, a combination of these options, or a one-time draw at closing. Unlike a forward mortgage, the HECM borrower does not make payments on the loan, and the loan does not become due and payable until the last remaining borrower passes away, sells the home, conveys title of the property, or fails to comply with other requirements of the loan, such as payment of property taxes and insurance.

Administrative Contracts

The \$160 million requested for 2027 will provide contract and service funding necessary for the administration of FHA programs operating under the MMI and GI/SRI funds. This Budget will fund activities including, but not limited to, insurance endorsement of single family mortgages, the single family case management system for Real Estate Owned (REO) properties, Secretary-held mortgage servicing, HECM loan servicing tools, construction inspections on multifamily projects, independent financial review services on health care facilities, the required annual FHA independent actuarial review, the FHA Resource Center, management and oversight of asset disposition, risk analysis, accounting and audit support services, and assistance with claims and premium refund processing.

The request of \$160 million will enable FHA to continue to service its large portfolio of HECMs and Partial Claims, which has grown significantly over the past decade. Between 2015 and 2025, program account expenditures for management of Secretary-held HECMS and Partial Claims have increased by nearly \$57 million, growing from \$4.1 million to \$60.6 million, a 1,378 percent increase. Specifically, FHA’s assigned HECM portfolio has increased substantially since 2015, from 33,000 to over 198,000 loans.



Commitment Authority - Up to \$400 billion for New Loan Guarantees

The 2027 President’s Budget requests \$400 billion in loan guarantee commitment limitation, which is to remain available until September 30, 2028. This limitation includes sufficient authority for insurance of all single-family forward mortgages and HECMs. Total loan volume projected for all

MMI programs for 2027 is \$299.4 billion. Of that total, \$284 billion is estimated for standard forward mortgages and \$15.4 billion is for HECM. The size and two-year availability for this commitment authority reduces the likelihood of program disruption should there be a continuing resolution or greater-than-expected demand for loan guarantees.

Negative Subsidy Receipts

In 2027, the entire MMI portfolio is projected to generate \$9.4 billion in negative subsidy receipts. These receipts are transferred to the MMI Capital Reserve account, where they are available to cover future unexpected losses.

Direct Loan Commitment Authority

Funding level at \$1 million in loan commitment authority will provide short-term direct mortgages for non-profits and governmental agencies to purchase single-family properties. This will enable these entities to purchase HUD-owned single-family properties to subsequently make those properties available for resale to purchasers with household incomes at or below 115 percent of an area's median income in support of their affordable housing programs. While this program has been infrequently used in recent years, it remains a valuable tool for HUD to support affordable homeownership opportunities in distressed communities while responsibly managing its Real Estate Owned inventory of properties.

Other Evidence

Stakeholders have access to the HUD website for approved public program information and financial reports. The FHA Annual Management Report and MMI Actuarial Report are published online. The Annual Management Report contains the FHA standalone financial statements, which can be used by stakeholders to review program outcomes and other achievements.

In addition, a third-party contractor conducts loan reviews. HUD approved lenders are required to obtain third-party quality control reviews on a sampling of loans and for all early claims within four years of final endorsement.

Stakeholders

HUD-FHA collaborates with stakeholders to ensure that sustainable financing is available to creditworthy borrowers seeking to purchase, refinance and/or rehabilitate homes. FHA program participants or stakeholders are borrowers, lenders, servicers, appraisers, consultants, nonprofits, State and local government, and investors. FHA Single Family Housing engages with its stakeholders in person and virtually, by participating in community events, stakeholder training, and Lender Roundtables nationwide. These events provide robust information on FHA programs, policies, and processes. Stakeholders have access to the HUD-FHA Single Family website to communicate and search policies, regulations, guidebooks, forms, mortgagee letters, newsletters, data reports, as well as to learn about events and training opportunities.

Operational Improvements and Efficiencies

FHA has been monitoring and examining contracts for economies of scale and will continue to look for cost savings in the MMI account through service consolidation and efficiency where feasible.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Administrative Contract Expenses	150,000	11,413	161,413	157,038	160,000	8,000	168,000	160,000
Total	150,000	11,413	161,413	157,038	160,000	8,000	168,000	160,000

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

Appropriations Language Changes

The President’s Budget eliminates the contingent appropriation from the account language.

General Provisions

The 2027 President’s Budget proposes the following general provision:

- **Eminent Domain Restrictions:** This provision makes permanent provisions prohibiting HUD from guaranteeing mortgages or mortgage-backed securities that refinance or otherwise replace mortgages that have been subject to eminent domain. (Sec. 214)

APPROPRIATIONS LANGUAGE

The 2027 President’s Budget includes the appropriations language listed below.

New commitments to guarantee single family loans insured under the Mutual Mortgage Insurance Fund shall not exceed \$400,000,000,000, to remain available until September 30, 2028: Provided, That during fiscal year 2027, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$1,000,000: Provided further, That the foregoing amount in the preceding proviso shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund: Provided further, That for administrative contract expenses of the Federal Housing Administration, \$160,000,000, to remain available until September 30, 2028: Provided further, That notwithstanding the limitation in the first sentence of section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)), during fiscal year 2027 the Secretary may insure and enter into new commitments to insure mortgages under section 255 of the National Housing Act.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Housing

FHA – General and Special Risk Insurance Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	-	1,574	-	-	1,574	-	-
2026 Appropriation	-	1,574	-	-	1,574	-	-
2027 President's Budget	-	1,574	-	-	1,574	-	-
Change from 2026	-	-	-	-	-	-	-

PROGRAM PURPOSE

The Federal Housing Administration's (FHA) General Insurance and Special Risk Insurance (GI/SRI) Fund programs are critical components of the Department's efforts to meet the Nation's need for decent, safe, and affordable housing. These programs provide the necessary liquidity so that communities can:

- Provide quality affordable housing and assisted living, nursing home, and hospital facilities;
- Improve access to quality healthcare, reduce the cost of that care, and support the needs of aging populations in communities nationwide;
- Strengthen local economies by playing a countercyclical role in the market; and
- Improve the availability and quality of rental housing for low- and moderate-income families.

BUDGET OVERVIEW

The 2027 President's Budget requests \$25 billion in loan guarantee commitment authority, which is \$10 billion below the 2026 Enacted level, and \$1 million in direct loan authority for the FHA GI/SRI Fund, which is equal to the 2026 Enacted level. The Budget estimates \$512 million in offsetting negative credit subsidy receipts in 2027 from GI/SRI loan guarantees. At the requested level, GI/SRI is projected to issue \$21 billion in loan insurance commitments in 2027, including:

- \$15 billion in loan guarantees to support 687 apartment housing projects;
- \$6 billion in loan guarantees for 353 healthcare facilities, including residential care facilities (skilled nursing homes, assisted living facilities, and board and care homes) and hospitals; and
- \$21 million for 750 Title I manufactured housing and property improvement loans.

JUSTIFICATION

Mortgage insurance facilitated by the GI/SRI Fund encourages private lenders to make loans for the following activities, among others: new rental housing in a variety of markets, nursing homes serving aging senior citizens, and critical access hospitals. In addition to providing access to credit for new developments, GI/SRI supports refinance lending to preserve financially healthy housing and healthcare projects by helping them reduce the cost of current debt obligations. The major refinancing programs for housing and nursing home facilities offer long-term amortization periods and are critical options for many conventionally financed projects facing large balloon payments. Insured refinancing through GI/SRI programs also enables properties to undertake essential renovation and rehabilitation for the health and safety of residents.

FHA mortgage insurance enhances a borrower's credit and provides lenders with better access to capital markets, most notably through Ginnie Mae securities. In exchange for adherence to underwriting and application requirements established by HUD and the payment of required insurance premiums, FHA-approved lenders can file claims with FHA to compensate them for losses arising from a borrower default. Specific terms for claim payments vary by program. GI/SRI mortgage insurance programs work in part by helping private lenders access liquidity otherwise unavailable to borrowers developing or operating properties covered by these programs.

The credit enhancement provided by an FHA loan guarantee or insurance enables borrowers to obtain long-term, fully amortizing fixed-rate financing (up to 40 years in the case of new construction/substantial rehabilitation), which can result in substantial cost savings. Access to fixed-rate loans with long-term amortization, which typically are not available through conventional lending sources, mitigates interest rate risk for owners because they do not necessarily have to refinance to maintain affordability of their payments. The long-term amortization period and guarantee of payment in the event of claim stabilizes interest rates and can also allow monthly mortgage payments to be less than payments required under non-insured financing. These savings, in turn, can reduce the overall costs of developing and maintaining housing, which stabilizes housing markets, and assists low- and moderate-income residents in obtaining affordable housing. Similarly, FHA-insured financing of healthcare facilities reduces costs for operators and contributes to lower healthcare costs for consumers.

Multifamily and healthcare loans are large and complex. Prior to receiving a mortgage guarantee for any multifamily or healthcare loan, lenders and borrowers must complete a rigorous application process to determine if a loan is an acceptable credit risk to HUD. Large multifamily housing projects and all healthcare facility loans receive secondary review and approval by a national loan committee of senior HUD officials. Once insurance has been approved, progress on any new construction or renovation is closely monitored by HUD inspectors. HUD asset managers monitor project financial statements on an ongoing basis and loss mitigation measures are undertaken before a loan is determined to have defaulted and any claim is submitted to HUD. When a borrower defaults and a claim is filed, HUD will take possession of the mortgage note or property and seek to recover losses.

With each mortgage it insures, FHA carefully weighs the benefits of renewed capital investment in the community against the financial risks to the Government. Cognizant of the risks associated with FHA's role in the housing market, the Department has launched several new initiatives aimed at appropriately managing the risk involved with Multifamily loans. Risk mitigation procedures for Multifamily Housing loan originations include a tiered loan approval structure requiring increasing levels of Loan Committee review based on program and dollar amount of the loan. In addition, HUD staff conduct a thorough underwriting review of each transaction and the Office of Risk Management conducts sampling of post-commitment reviews. Loan origination and default data and trends are

monitored by HUD, and lenders are required to obtain third-party quality control reviews on a sampling of loans and for all early claims within four years of final endorsement.

Multifamily housing and healthcare facilities are major economic engines and community anchors that are crucial for economic growth and quality of life. The GI/SRI Fund currently insures over 1.4 million multifamily units. The healthcare portfolio includes 3,777 insured residential care facilities (assisted living facilities, nursing homes, and board and care homes) in 49 States, as well as the District of Columbia and 78 hospitals within 24 States and territories, including Puerto Rico. Through proactive risk management, HUD has maintained extremely low claim rates of under two percent in both programs.

During periods of market contraction, FHA insurance provides a counter-cyclical source of capital for essential housing and health care development. If other sources of capital are less available, activity in the GI/SRI Fund programs may increase beyond these projections, which makes the overall commitment authority request essential.

Multifamily Risk Categories

Federal Financing Bank (FFB) Risk Share

The Administration is examining the FFB program and considering its necessity within the government's credit portfolio. Existing firm commitments will continue to be honored; however, HUD does not project that any new firm commitments will be issued in 2027. Traditional Risk Share through Section 542(c) remains the dominant execution for HFAs and HUD continues to evaluate how to best serve its HFA partners going forward.

Section 221(d)(4) Mortgage Insurance for Rental Housing

The Section 221(d)(4) program is FHA's largest program supporting new construction and substantial rehabilitation of multifamily housing. The program insures loans for up to 90 percent of the project replacement cost (as limited by debt service coverage and per-unit cost requirements). It covers long-term mortgages of up to 40 years and, like all FHA new construction loan programs, provides for both construction and permanent financing.

Sections 223(f) and 223(a)(7) Mortgage Insurance for Refinancing or Purchase of Existing Multifamily Rental Housing

Section 223(f) allows for long-term mortgages of up to 35 years for refinancing or purchase of existing multifamily rental housing. Refinances of current FHA-insured multifamily loans are also offered under Section 223(a)(7) but are grouped together with Section 223(f) for budgetary purposes.

Section 241(a) Mortgage Insurance for Supplemental Loans for Multifamily Housing Projects

Section 241(a) provides mortgage insurance for supplemental loans for multifamily housing projects already insured or held by HUD. This program is intended to keep projects competitive, extend their economic life, and finance the replacement of obsolete equipment. Section 241(a) mortgages finance repairs, additions, and other improvements. These loans take the second position to the primary mortgage. For budgetary purposes, these loans are included in the risk category of the primary loan they are supplementing.

Section 542(b) Risk Sharing with Qualified Participating Entities (QPEs)

This is one of two multifamily programs under which FHA insures only a portion of the losses by sharing the risk with Fannie Mae, Freddie Mac, and other qualified Federal, State, and local public financial and housing institutions. If a loan insured under Section 542(b) defaults, the QPE will pay all costs associated with loan disposition and will seek reimbursement from HUD for 50 percent of the losses.

Section 542(c) Risk Sharing with Housing Finance Agencies (HFAs)

Section 542(c) provides mortgage insurance for multifamily housing projects whose loans are underwritten, processed, serviced, and disposed of by State and local HFAs. FHA insurance enhances HFA bonds to investment grade and provides capital for affordable housing construction. HFAs may elect to share from 10 to 90 percent of the loss on a loan with HUD. Section 542(c) insured-projects often include Low-Income Housing Tax Credits, in which case they are reported under GI/SRI's risk category for Tax Credit Projects.

Other Rental Programs

This risk category includes several relatively low-volume programs that have been grouped together for budgetary purposes, including Section 220 loans in urban areas, Section 231 loans for elderly housing, and Section 207 loans for mobile home park development. Section 220 is a new-construction program, distinct from 221(d)(4) in that it insures loans for multifamily housing projects in urban renewal areas, code enforcement areas, and other areas where local governments have undertaken designated revitalization activities. The program offers special underwriting allowances for greater mixed-use development. Section 231 is also a new construction/substantial rehabilitation program, but for projects specifically designed for senior citizens. For Section 231 projects with 90 percent or greater rental assistance, the maximum loan amount is 90 percent of the estimated replacement cost.

Tax Credit Projects

Projects assisted with Low-Income Housing Tax Credits (LIHTC) may be insured under several FHA multifamily programs but are grouped together in a single budget risk category. These loans have a lower risk of default than similar projects without tax credits.

Healthcare Risk Categories

Section 232 New Construction/Substantial Rehabilitation of Residential Care Facilities

Section 232 programs are split into two budget risk categories. The first category includes new construction and substantial renovation projects. The program enables access to capital that may not otherwise be available for many quality providers including those in underserved areas, thereby providing access to needed healthcare and residences for seniors. These loans are offered for terms of up to 40 years and provide both construction and permanent financing.

Section 232/223(f) Refinancing and Purchase of Existing Residential Care Facilities

The Section 232/223(f) refinancing program enables existing facilities to take advantage of refinancing at low interest rates with loan terms of up to 35 years. For a refinance, maximum mortgage amounts are insured up to 85 percent of the appraised value (90 percent if the borrower is a non-profit organization). For acquisitions, mortgages are insured up to 85 percent of the acquisition

price plus transaction costs (90 percent of acquisition price if the borrower is a non-profit organization). Equity cash-out transactions are prohibited under this program. Section 223(a)(7) refinances of existing Section 232 loans are also reported under this risk category, as well as operating loss loans insured under Section 223(d).

Section 242 Hospitals

The Section 242 program provides mortgage insurance for loans made to acute care hospitals. An FHA guarantee allows hospitals to lock in low interest rates and reduce borrowing costs for major renovation, expansion, replacement, and refinancing projects that help improve healthcare access and quality. Loans are up to 25 years in length, plus a construction period if applicable. The risk category also includes Section 241(a) supplemental loans, Section 223(a)(7) loans for refinancing current FHA-insured projects, and Section 223(e) loans for hospitals in older, economically declining urban areas.

Single-Family Risk Categories

Title 1 Property Improvement

The Title I Property Improvement program insures loans for repairs and other improvements to residential and non-residential structures, as well as new construction of non-residential buildings.

Title 1 Manufactured Housing

Under Title I, HUD provides mortgage insurance for loans used to finance manufactured homes, lots on which to set the homes, or the home and lot together.

GI/SRI RISK CATEGORIES AND ESTIMATED VOLUME

2027 GI/SRI Programs (Dollars in Millions) ^c	Commitment Volume (projected)	Credit Subsidy Rate	Offsetting Receipts (projected) ^a
Direct Loans Levels			
FFB Risk Sharing	\$0	0%	\$0
Guaranteed Loan Levels			
Apartments New Construction / Substantial Rehab (221d4)	\$3,826	-1.84%	\$70
Tax Credit Projects (includes Healthcare Tax)	\$2,448	-1.98%	\$43
Apartment Refinances (223a7 & 223f)	\$8,316	-1.79%	\$146
Housing Finance Agency Risk Sharing (542c)	\$284	-1.14%	\$0
GSE risk-share	\$0	-1.32%	\$0
Other Rental	\$393	-3.32%	\$13
Subtotal - Multifamily Programs ^b	\$15,268	--1.86%	\$272
New Construction and 241(a)/Residential Care Facilities (232_nc), 241(d)	\$22	-2.54%	\$1
Refinances (a7 and 223(f))/Residential Care Facility Refinances (232_refi)	\$5,797	-3.68%	\$214
Hospitals (242, 241, 223f, 223a7)	\$350	-4.64%	\$25
Subtotal - Healthcare Programs ^b	\$6,169	-3.73%	\$239
Title 1 - Property Improvement	\$13	-3.29%	\$0
Title 1 - Manufactured Housing	\$8	-7.48%	\$1
Total - Guaranteed Loan Levels ^b	\$21,456	-2.40%	\$512
Total - GI/SRI Fund ^b	\$21,456	-2.40%	\$512

a/ Receipts are recognized as the underlying loans are disbursed.

b/ The subsidy rate is a weighted average.

c/ Amounts may not add up to Total due to rounding.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Positive Subsidy Appropriation	-	1,574	1,574	-	-	1,574	1,574	-
Total	-	1,574	1,574	-	-	1,574	1,574	-

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

General Provisions

The 2027 President's Budget proposes the following general provisions:

- **Eminent Domain Restrictions**: This provision makes permanent provisions prohibiting HUD from guaranteeing mortgages or mortgage-backed securities that refinance or otherwise replace mortgages that have been subject to eminent domain. (Sec. 214)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

New commitments to guarantee loans insured under the General and Special Risk Insurance Funds, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), shall not exceed \$25,000,000,000 in total loan principal, any part of which is to be guaranteed, to remain available until September 30, 2028: Provided, That during fiscal year 2027, gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed \$1,000,000, which shall be for loans to nonprofit and governmental entities in connection with the sale of single family real properties owned by the Secretary and formerly insured under such Act.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Government National Mortgage Association

Mortgage-Backed Securities Program

SUMMARY OF COMMITMENT AUTHORITY RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations ^{a/}	Net Outlays
2025 Appropriation	550,000,000	550,000,000	-	-	1,100,000,000	558,694,453	-
2026 Appropriation	550,000,000	541,305,547	-	-	1,091,305,547	618,423,817	-
2027 President's Budget	600,000,000	472,881,730	-	-	1,072,881,730	787,160,911	-
Change from 2026	50,000,000	(68,423,817)	-	-	(18,423,817)	168,737,094	-

a/ Reflects commitment authority sales.

ADMINISTRATIVE EXPENSES AND COMMITMENT & MULTICLASS FEES

(Dollars in Thousands)

	Carryover	Spending Authority from Offsetting Collections	Budget Authority	Precluded	Obligations	Net Outlays
2025 Appropriation	1,609,728	192,955	57,000 ^{b/}	(1,745,683)	62,312	(131,485)
2026 Appropriation	1,745,683	219,268	59,000 ^{b/}	(1,905,951)	54,084	(165,268)
2027 President's Budget	1,905,951	260,275	56,000	(2,110,226)	57,520	(200,275)
Change from 2026	160,268	41,007	(3,000)	(204,275)	(3,436)	(35,007)

b/ Includes \$3 million of earned no-year funds contingent on volume, which is not included in the Salaries and Expenses (S&E) Congressional Justification (CJ).

PROGRAM PURPOSE

The Government National Mortgage Association's (Ginnie Mae) core purpose is to support affordable homeownership and rental opportunities for Americans by providing a vehicle for channeling funds from the securities market into the mortgage market. That vehicle is the Ginnie Mae mortgage-backed security (MBS), which is comprised of loans insured or guaranteed by Federal housing programs – including the Department of Housing and Urban Development's (HUD) Federal Housing Administration (FHA) and Office of Public and Indian Housing (PIH), the Department of Veterans Affairs' (VA) Loan Guaranty Service, and the Department of Agriculture's Rural Housing Service (RHS) – and backed by the full faith and credit of the U.S. Government to ensure investors receive timely payment of principal and interest, even if a borrower or lender defaults. This business model makes Ginnie Mae securities a trusted and sought-after asset worldwide, which in turn enables steady liquidity for lenders and uninterrupted access to mortgage credit for millions of Americans.

BUDGET OVERVIEW

The 2027 President's Budget requests the following for the Ginnie Mae MBS Program:

- \$600 billion (non-cash) limitation on new single class MBS commitments, which is \$50 billion more than the 2026 Enacted level; and
- \$56 million in spending authority from offsetting collections to cover S&E, which is equal to the 2026 Enacted level.

Commitment Authority

Commitment authority is a non-cash appropriation that enables Ginnie Mae to operate its MBS program. It authorizes Ginnie Mae to sell commitments, up to the appropriated level, to approved private lending institutions (Issuers), allowing them to issue Ginnie Mae-guaranteed securities. Through this authority, Ginnie Mae supports the flow of capital to the housing market and generates funding through issuer fees tied to the sale of commitments and the guarantee of principal and interest on MBS. Maintaining sufficient commitment authority is essential to market stability, as any perception of constrained or rationed authority could send a negative signal to lenders and investors and disrupt the availability of affordable mortgage credit.

As such, the 2027 President's Budget requests \$600 billion in commitment authority, to remain available until September 30, 2028. The request, coupled with forecasted carryover funds, is projected to support uninterrupted program operations while providing flexibility needed to respond to changes in mortgage market demand.

Salaries and Expenses

The 2027 President's Budget requests \$56 million, to remain available until September 30, 2028. Ginnie Mae's S&E budget is offset by an estimated \$260 million in collections from Commitment and Multiclass fees, resulting in a net budget authority of -\$204 million. Please see the Ginnie Mae S&E Congressional Justification for more details.

JUSTIFICATION

Ginnie Mae's MBS Program is a cornerstone of the Federal housing finance system, providing liquidity, affordability, and stability for government-insured mortgage lending. Through its full-faith and credit guaranty, the program enables efficient capital market execution, supports access to affordable mortgage credit for the populations served by Federal housing loan guarantee or insurance programs (who are particularly first-time, low-income, and underserved borrowers), and serves as a reliable countercyclical backstop during periods of market stress. The MBS Program is self-sustaining, generates revenue for the U.S. Treasury, and operates under strong risk management and oversight frameworks. As a result, Ginnie Mae delivers significant mission impact while safeguarding taxpayer interests and strengthening the broader housing finance system.

Funding Impact and Outcomes

Ginnie Mae is a government-owned corporation that operates at no cost to taxpayers, as it is 100 percent self-funded through program fees.

Over the last 10 years, Ginnie Mae has contributed an average of \$2 billion annually in offsetting receipts (i.e., negative subsidy, commitment fees, and multiclass fees receipts) to the Federal budget. These receipts help offset Federal spending and support deficit reduction efforts, and ease taxpayer burdens while promoting stability and affordability in the housing market.

In 2025, supported by commitment authority sales of \$558.7 billion and \$521.2 billion in MBS issuances,¹ Ginnie Mae contributed approximately \$1.6 billion in offsetting receipts. This activity

¹ Following the close of FY 2025, issuances were adjusted to \$526.4 billion.

supported approximately 1.4 million housing units nationwide, including more than 700,000 for first-time home buyers, underscoring the program’s central role in expanding access to affordable homeownership.

Key Assumptions

The requested increase in commitment authority is driven by market projections indicating materially higher demand in 2027. This outlook is supported by strong recent performance, with 2025 commitment authority sales increasing 29 percent and MBS issuances increasing 24 percent compared to 2024.

Updated forecasts position 2026 as a transition year, reflecting declining interest rates and gradual improvements in affordability. A more pronounced recovery is projected for 2027, driven by labor market stabilization, inflation nearing target levels, improved housing affordability, and stronger mortgage demand. In addition, rising home prices are expected to result in larger average loan balances, increasing mortgage volumes in dollar terms and, in turn, the level of commitment authority required to support market activity.

Commitment Authority Request and Market Stability: Importantly, increasing the commitment authority ceiling to \$600 billion does not increase Federal spending. Rather, it authorizes Ginnie Mae to guarantee the level of mortgage activity already expected in the market while providing flexibility needed to respond to changes in mortgage market demand. Maintaining sufficient commitment authority is essential to preserve program capacity, maintain carryover reserves to support the continuity of operations, and ensure stable access to mortgage credit nationwide, particularly in a high-volume environment where:

- Mortgage refinancing activity is accelerating
- Purchase demand is strengthening
- Non-bank issuers continue to face liquidity pressures
- Interest rate volatility can emerge rapidly
- Global investors rely on consistent access to Ginnie Mae securities

Accordingly, the requested level of commitment authority is calibrated to align with current volume forecasts, maintain compliance with statutory notification requirements under 12 U.S.C. § 1721,² support program stability, and meet the liquidity needs of the Federally backed housing market in 2027. Based on projected demand, the 2027 budget request, combined with available carryover, is expected to approach the statutory notification threshold; therefore, Ginnie Mae will closely monitor commitment authority utilization. Potential policy initiatives affecting the Federal mortgage market are being closely monitored, and any impacts on Ginnie Mae volumes are expected to emerge gradually rather than immediately.

Stakeholders

Ginnie Mae maintains strong partnerships with private-sector participants, Federal agencies, and other public stakeholders to expand access to safe, decent, and affordable housing, while promoting borrower stability and economic opportunity. Key areas of engagement include:

² [Text - H.R.4602 - 99th Congress \(1985-1986\): FHA and GNMA Credit Commitment Assistance Act of 1986 | Congress.gov | Library of Congress](#) (United States Code, Title 12, Section 1721, Government National Mortgage Association Guarantees of Mortgage-Backed Securities. Administrative Provision, subsection (b))

MORTGAGE-BACKED SECURITIES PROGRAM

- **Expanding Access:** Collaborating to bring additional mission-driven lenders into the system to better serve a range of underserved communities.
- **Risk Management:** Developing tools and sharing information to manage risks across issuers, investors, and taxpayers.
- **Crisis Readiness:** Coordinating with Federal partners to strengthen readiness for future market disruptions.
- **Technology & Data:** Advancing standards that improve transparency, data quality, and market confidence.

Through continued engagement with a mix of domestic and global stakeholders, Ginnie Mae strengthens the U.S. housing finance system and broadens its investor base. These efforts reinforce market confidence, support liquidity and innovation, and ensure that the MBS Program remains a reliable and attractive platform for financing affordable housing nationwide.

User Fees

Fee	Statute	Where and How the Fee Is Collected	2026 Fee Schedule	Estimated Collections (dollars in thousands)
Commitment Authority Application Fee	Title III of the National Housing Act, as amended (P.L. 73-479; codified at 12 U.S.C. 1716 et seq.)	Ginnie Mae receives funds via ACH drafts from the Pool Processing Agent and through the Pay.gov website.	First \$1.5 million: \$500 Additional Amounts: \$200 for each additional \$1 million (or part thereof)	\$187,053
Multiclass Fees	Title III of the National Housing Act, as amended (P.L. 73-479; codified at 12 U.S.C. 1716 et seq.)	Ginnie Mae receives funds via ACH drafts from the Pool Processing Agent and through the Pay.gov website.	First \$100 Million: 7.5 basis points Additional Amounts: 2.5 basis points Additional Multifamily fee: \$10,000 Modification and Exchange (MX) combination fee: \$3,000 per MX combination	\$73,222

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Mortgage Backed Securities Guarantee Limitation Level [Non-Add]	[550,000,000]	[550,000,000]	[1,100,000,000]	[558,694,453]	[550,000,000]	[541,305,547]	[1,091,305,547]	[600,000,000]
Total	-	-	-	-	-	-	-	-

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

The 2027 President's Budget includes the following general provisions:

- **HUD Corporation Services:** This provision makes permanent that certain limitations on administrative expenses are 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 nonadministrative expenses. (Sec. 202)
- **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. 203)
- **Eminent Domain Restrictions:** This provision makes permanent provisions prohibiting HUD from guaranteeing mortgages or mortgage-backed securities that refinance or otherwise replace mortgages that have been subject to eminent domain. (Sec. 214)
- **Location of Government National Mortgage Association Principal Office:** This provision amends the Government National Mortgage Association authorizing statute to allow offices in the metropolitan area of Washington, DC. (Sec. 235)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$600,000,000,000, to remain available until September 30, 2028: Provided, That \$56,000,000, to remain available until September 30, 2028, to be derived from fees credited as offsetting collections to this account, including balances of fees collected and credited in prior fiscal years, shall be for necessary salaries and expenses of the Government National Mortgage Association: Provided further, That receipts from Commitment and Multiclass fees collected pursuant to title III of the National Housing Act (12 U.S.C. 1716 et seq.) shall be credited as offsetting collections to this account.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Government National Mortgage Association

SALARIES AND EXPENSES**

(Dollars in Thousands)

	2025*	2026			2027		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Personnel Services	\$59,252	\$2,026	\$49,935	\$51,961	\$6,065	\$49,926	\$55,991
Non-Personnel Services							
Travel	-	-	-	-	-	289	289
Transportation of Things	-	-	-	-	-	-	-
Rent and Utilities	-	-	-	-	-	-	-
Printing	-	-	-	-	-	-	-
Other services/Contracts	-	-	-	-	-	164	164
Training	-	-	-	-	-	171	171
Supplies	-	-	-	-	-	32	32
Furniture and Equipment	-	-	-	-	-	-	-
Claims and Indemnities	-	-	-	-	-	-	-
Total, Non-Personnel Services	-	-	-	-	-	\$656	\$656
Working Capital Fund	1,744	-	-	-	-	873	873
Carryover	2,026	-	6,065	6,065	-	4,545	4,545
Grand Total	\$63,022	\$2,026	\$56,000	\$58,026	\$6,065	\$56,000	\$62,065
FTEs	262	8	212	220	26	212	238
Onboard Staff EOY	220	-	-	235	-	-	240

* Includes 2024 carryover.

** The Budget Object Class data provided here is for informational purposes only.

PROGRAM PURPOSE

Ginnie Mae is a self-sustaining, government-owned corporation that plays a critical role in the U.S. housing finance system. Its mission is to attract domestic and global capital into the mortgage market by guaranteeing mortgage-backed securities (MBS) backed by loans insured or guaranteed by Federal housing programs, including the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the Rural Housing Service (RHS), and the Office of Public and Indian Housing (PIH).

Through its full faith and credit guaranty, Ginnie Mae eliminates credit risk for investors by ensuring the timely payment of principal and interest even in the event of borrower or issuer default. This guaranty makes the Ginnie Mae securities among the most trusted assets in global capital markets, providing consistent liquidity for lenders and uninterrupted access to affordable mortgage credit for millions of Americans.

Ginnie Mae directly supports National Essential Function (NEF) 7 by stabilizing the housing finance system and preserving confidence in U.S. financial markets.¹ Fulfilling this role requires timely execution of MBS operations, strong oversight of complex financial transactions, and proactive risk management across issuer, liquidity, and cyber domains.

¹ See guidance from the Federal Emergency Management Agency: [Federal Continuity Directive: Continuity Planning Framework for the Federal Executive Branch](#)

BUDGET OVERVIEW

The 2027 Budget requests \$56 million for Ginnie Mae, which is equal to the 2026 Enacted level. The Budget reflects total funding (carryover and new authority) of \$62.1 million, \$4 million above 2026 total funding.

This request reflects a disciplined, targeted investment to sustain Ginnie Mae's statutory responsibilities while aligning with Administration-wide efforts to streamline federal operations and maintain a lean workforce.

Return on Investment and Scale of Impact: Ginnie Mae operates at no cost to taxpayers. The Agency is 100 percent self-funded through program fees and consistently generates revenue for the U.S. Treasury. Over the past decade, Ginnie Mae has contributed an average of \$2.0 billion annually in offsetting receipts, supporting deficit reduction while strengthening housing market stability. In 2025 alone, Ginnie Mae:

- Facilitated **\$521.2 billion in MBS issuances**
- Supported approximately **1.4 million housing units**
- Generated **\$2.3 billion in net income**

During the same period, Ginnie Mae's MBS portfolio grew to \$2.8 trillion (an increase of seven percent), while the Agency reduced its workforce by 17 percent, demonstrating strong operational efficiency and fiscal discipline.

Why funding is needed: Ginnie Mae's responsibilities continue to expand as mortgage market complexity and risk concentration increase – particularly among non-bank issuers, which now account for the majority of Ginnie Mae issuances. These entities rely on short-term funding structures that are more vulnerable to market stress, requiring heightened oversight to protect taxpayers and investors.

To sustain operational stability amid rising market complexity, Ginnie Mae is requesting a modest net increase of only **five positions** (less than three percent growth) targeted at the highest-risk and most capacity constrained functions. These additions strengthen the organization's ability to manage emerging Administration priorities, enhance oversight of non-bank issuer liquidity and solvency, modernize data and analytical capabilities, and maintain cybersecurity readiness, while avoiding expansion beyond essential operational needs. This strategically limited investment ensures that Ginnie Mae can effectively safeguard taxpayers and the mortgage market while keeping pace with evolving risks across the housing finance system, including potential Government Sponsored Entity (GSE)-related reforms.

Personnel Services (PS)

The Budget assumes total funding of \$56 million for PS to support 238 FTEs, which is \$4 million above the total 2026 PS funding level. The 2027 request supports five net additional positions while remaining fully compliant with Executive Orders and OPM guidance on federal hiring and other workforce-related issues. These positions are focused on core functions required to support the Agency's core mission:

- *Administration Priorities and Market Stability (3 positions):* Strengthen capacity to address evolving risks and Administration priorities, including:
 - Enhanced monitoring of market risks to protect taxpayers and ensure program stability
 - AI-enabled government efficiencies and data modernization
 - Cybersecurity readiness and incident response
- *Non-Bank Issuer Liquidity and Solvency Risk Oversight (1 position):* Expand oversight of non-bank Issuers (the largest and most risk-sensitive segment of our Issuer base) by:
 - Monitoring liquidity and financing arrangements
 - Assessing counterparty risk
 - Strengthening default preparedness and resolution capabilities
- *Housing Finance System Reform Readiness (1 position):* Provides analytical and operational capacity to respond to potential structural changes in the housing finance system, including GSE-related reforms that could impact government-backed lending markets.

Non-Personnel Services (NPS)

The Budget assumes total NPS funding of \$656 thousand, which is \$656 thousand above the total 2026 NPS level.

In 2025 and 2026, NPS requirements for travel, training, printing, supplies, and other services have been/will be supported through carryover from the no-year account, reflecting continued discipline in the use of new two-year budget authority for personnel services.

The 2027 NPS resources will be used selectively to support engagement with domestic and international investors, reinforce their confidence in the Ginnie Mae platform, and sustain long-term demand for Ginnie Mae securities. The requested authority enhances Ginnie Mae's ability to prioritize its statutory mission while maintaining cost-effective operations and maximizing the impact of existing resources through disciplined spending and operational efficiency.

Working Capital Fund (WCF)

The 2027 Budget assumes \$873 thousand for WCF expenses. In 2026, WCF will be supported through carryover from the no-year account. Please see the WCF Congressional Justification for details on the current WCF business lines.

KEY OPERATIONAL INITIATIVES

This section explains how Personnel Services funding (\$56.0 million) supports Ginnie Mae's ability to sustain core operations in 2027 while staying efficient and adaptable. It highlights the staffing required to execute statutory responsibilities, manage market risks, and advance Administration priorities:

1. Maintain Statutory Operations (\$54.8 million / 235 FTP)

The 2027 Budget provides sufficient funding to support Ginnie Mae's projected Start of Year (SOY) staffing levels – ensuring the Agency can fully fund personnel on-board at the start of the fiscal year. Maintaining statutory operations requires continuous, disciplined execution of complex financial, operational, and risk management activities that cannot pause or scale down without consequence. Ginnie Mae's staff manage high-volume, time-sensitive transactions, oversee issuer and servicing activity, and ensure the timely payment of principal and interest on government-guaranteed securities – functions that are essential to market stability and public confidence. The funding requested ensures these core operations remain resilient, well-controlled, and responsive as program scale, issuer complexity, and market risk continue to evolve.

2. Strategic Capacity Enhancements to Support Core Operations (\$1.2 million / 5 FTP)

Ginnie Mae's request for five net additional positions reflects a **practical investment in readiness, stability, and long-term performance** as the Agency continues to operate at scale. These positions strengthen the Agency's ability to keep pace with a more complex housing finance environment while continuing to deliver reliable results with a lean workforce. As non-depository institutions constitute a majority of the issuer base, added capacity to support counter party risk monitoring is needed to ensure operations remain smooth, well-coordinated, and responsive. The requested positions provide focused support in areas that help Ginnie Mae stay ahead of emerging trends, implement Administration priorities efficiently, and remain prepared for potential changes in the housing finance system – all while maintaining uninterrupted execution of statutory responsibilities.

This request is **deliberate and restrained**. The five positions represent a small, targeted adjustment designed to reinforce core capabilities rather than expand scope. Together, these additions help ensure Ginnie Mae remains agile, well-positioned, and dependable for investors, issuers, and taxpayers as market conditions evolve.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Policy Development and Research

Research and Technology

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	139,000	92,800	-	-	231,800	123,792	120,008
2026 Appropriation	122,500	99,884	(150)	-	222,234	137,000	131,000
2027 President's Budget	63,000	85,234	(20,000)	-	128,234	127,000	115,000
Change from 2026	(59,500)	(14,650)	(19,850)	-	(94,000)	(10,000)	(16,000)

a/ 2025 Carryover includes \$652.5 thousand in 2024 Core R&T funds recaptured in 2025.

b/ The Consolidated Appropriations Act, 2026 (Pub. L. 119-75) permanently rescinded approximately \$150 thousand in legacy funding.

c/ The 2027 President's Budget proposes to cancel \$20 million in unobligated 2025 Eviction Prevention grant funds.

PROGRAM PURPOSE

The Research and Technology (R&T) account, administered by the Office of Policy Development and Research (PD&R), supports the mission of the Department through nationwide surveys, policy analysis, research, demonstrations, and program evaluations, as authorized and amended in Title V of the Housing and Urban Development Act of 1970. PD&R's work enables the President, Secretary, other agencies, and the Congress to make informed decisions on budget and legislative proposals and to strengthen housing and community development programs and policy.

BUDGET OVERVIEW

The 2027 President's Budget requests \$63 million for the Research and Technology account, which is \$59.5 million less than the 2026 Enacted level. This includes:

- \$58.0 million for **Core R&T** surveys and data purchases.
- \$5.0 million for **other Core R&T and Research, Evaluations, and Demonstrations (RED) and Implementation Support**.

The President's Budget also reflects a cancellation of \$20 million in Eviction Protection Grant Program balances.

JUSTIFICATION

The requested funding level for R&T provides support for critical functions that support innovation and evidence-based policymaking at HUD and improves outcomes for HUD's program partners: Core R&T, RED and program implementation support. The primary stakeholders for the R&T account are HUD program offices, HUD grantees, local, State, and Federal policymakers, researchers, and recipients of HUD programs.

Core Research and Technology

Core R&T accounts for the largest share of R&T resources and is comprised of three components: Housing Data Infrastructure; Knowledge Management, Dissemination, and Outreach; and Technical Expertise and Innovation. The 2027 Budget will allow PD&R to fund critical surveys, housing technology research, housing finance research, data purchases, and innovation events, and to maintain knowledge management activities.

Housing Data Infrastructure

The largest component of Core R&T is support for the surveys that constitute the backbone of the Nation's housing data infrastructure. Reliable and well-structured housing survey datasets inform policymakers about homeowner and rental units, HUD-assisted and unassisted populations, and the nature of affordable housing problems. The largest of these data sources is the American Housing Survey (AHS), which covers the Nation's housing stock, housing finance, and characteristics of markets, neighborhoods, and occupants, and supports national, regional, and metropolitan area estimates. PD&R has been working with the Census Bureau to transition the AHS from a biennial survey to a continuously collected survey with annual data releases. The first release of AHS data in its annual format is expected in September 2027. The benefits of the continuous survey are more frequent national estimates as well as lower cost and higher quality due to having a consistent workforce and not having to hire and train, followed by laying off staff, between survey periods.

Other surveys funded under Core R&T provide important data necessary to monitor housing needs, housing finance topics, and local housing market conditions. These surveys include the Survey of Construction (SOC), the Survey of Market Absorption of Apartments (SOMA), the Manufactured Homes Survey (MHS), and the Rental Housing Finance Survey (RHFS).

The 2027 request for housing data infrastructure reflects reduced cost assumptions for AHS and other surveys, which HUD and the Census Bureau plan to achieve primarily by reducing sample sizes while maintaining data quality.

Housing data infrastructure also includes the acquisition of private sector data, and other data such as Low-Income Housing Tax Credit (LIHTC) and U.S. Postal Service data on active and vacant addresses that are used in PD&R research and for numerous policy-relevant purposes. PD&R also partners with other Federal Agencies to link and analyze complementary administrative and survey data, such as matching HUD assisted and/or FHA data to Medicare and Medicaid data, data from the National Center for Health Statistics, and data at the Census Bureau such as Decennial Census, American Community Survey, and IRS records — activities that greatly enhance the value of these public investments.

Knowledge Management, Dissemination, and Outreach

Knowledge management in PD&R ensures that knowledge is created, organized, and shared with HUD and Administration officials, program staff, grantees, researchers and policy analysts, policymakers, and the public. Along with formal research reports and the academic journal *Cityscape*, several shorter-format periodicals such as PD&R Edge and Evidence Matters make data and research freely accessible to broad audiences. U.S. Housing Market Conditions reports—including the Comprehensive Housing Market Analyses produced by PD&R economists—provide in-depth looks at economic, demographic, and housing inventory trends of specific housing markets to guide builders, lenders, and others. PD&R stakeholders have access to more than 10,000 full abstracts of research reports, articles, books, and data sources on www.huduser.gov. During 2025, users downloaded an average of 1,100,000 files per month from the HUD User website, and the website averaged almost 44 million monthly hits.

In accordance with P.L. 115-336, the 21st Century Integrated Digital Experience Act, PD&R continues to improve its delivery and the design of the HUD User website, which gives PD&R stakeholders access to new and historical research studies, HUD periodicals, case studies, HUD datasets, data applications, and mapping systems, among other resources. Knowledge management also includes operation of the HUD Exchange website, which supports HUD recipients and stakeholder organizations with effective housing and community development program implementation, through a learning management system including 5,000 training courses, resources

libraries comprised of 9,000 pieces of guidance, and 24 web-applications. HUD Exchange fielded 5 million user sessions in 2025, facilitating 17.5 million views, 1.25 million downloads, and 56,000 training completions.

Funding Knowledge Management, Dissemination and Outreach is contingent on HUD finding additional savings in Core R&T.

Technical Expertise and Innovation

Core R&T also supports housing technology research, including research on factory-built housing; housing finance research; innovative housing design research; and research partnerships and grants. Recent housing innovation subjects have included research to support wider adoption of 3D printed homes, factory installation of HVAC systems in manufactured housing, and a research roadmap to support greater factory-built construction of homes. The Research Partnerships program provides matching funds for external researchers who propose research on topics that address the Department's learning priorities and that use innovative methods.

Research, Evaluation, Demonstrations, and Implementation Support

Research, Evaluation, and Demonstrations (RED) funding will allow PD&R to continue existing program evaluations and conduct new evaluations, demonstrations, and policy-focused research that advance Administration priorities, including the President's Executive Orders on Removing Regulatory Barriers to Affordable Home Construction, Promoting Access to Mortgage Credit, and Ending Crime and Disorder on America's Streets.

PD&R's discretionary research and evaluation are guided by HUD's Evidence Plan, which PD&R develops in consultation with internal and external stakeholders to identify the highest priority needs for research and data to inform evidence-based policymaking. Research priorities include housing affordability, family structure and economic mobility, housing cost drivers, housing market deregulation, community responses to homelessness, advanced building methods, and Opportunity Zones.

In addition, funding for program Implementation Support will equip HUD's partners and customers with the knowledge, skills, tools, capacity, and systems needed to successfully implement HUD programs and be effective stewards of Federal funding. Program implementation support serves a critical role in helping the Department to advance policy priorities that increase housing affordability, encourage self-sufficiency among assisted households, and improve public housing agency performance. PD&R provides implementation support for HUD partners through three complementary mechanisms: 1) development and distribution of tools, templates, and supports to guide HUD partners in addressing program and policy priorities; 2) targeted/risk-based direct assistance to support effective program management and stewardship of Federal funds; and 3) support for peer collaboration and learning among HUD partners on how to most efficiently and effectively address their affordable housing needs.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Eviction Protection Grants	20,000	40,000	60,000	35,768	7,500	21,732	29,232	-
Research and Technology Activities	119,000	52,800	171,800	88,024	115,000	78,152	193,002	63,000
Total	139,000	92,800	231,800	123,792	122,500	99,884	222,234	63,000

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

The 2027 President's Budget includes the following general provisions:

- Unobligated Research Awards: This provision gives HUD the ability to re-obligate research funds left unexpended at the conclusion of an agreement. (Sec. 215)
- Cancellations: This proposal cancels certain balances. (Sec. 229)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary of Housing and Urban Development under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, and for program implementation support, \$63,000,000, to remain available until September 30, 2028: Provided, That with respect to amounts made available under this heading, notwithstanding section 203 of this title, the Secretary may enter into cooperative agreements with philanthropic entities, other Federal agencies, State or local governments and their agencies, Indian Tribes, tribally designated housing entities, or colleges or universities for research projects: Provided further, That with respect to the preceding proviso, such partners to the cooperative agreements shall contribute at least a 50 percent match toward the cost of the project: Provided further, That for non-competitive agreements entered into in accordance with the preceding two provisos, the Secretary shall comply with section 2(b) of the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282; 31 U.S.C. 6101 note) in lieu of compliance with section 102(a)(4)(C) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545(a)(4)(C)) with respect to documentation of award decisions.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Fair Housing and Equal Opportunity

Fair Housing Activities

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	86,355	62,243	-	-	148,598	82,563	76,684
2026 Appropriation	86,355	62,726	-	-	149,081	93,081	88,850
2027 President's Budget	26,000	56,000	-	-	82,000	82,000	88,502
Change from 2026	(60,355)	(6,726)	-	-	(67,081)	(11,081)	(348)

a/ 2025 Carryover includes \$120 thousand in Fair Housing Assistance Program (FHAP) funds recaptured in 2025.

b/ 2027 Obligation amount in the 2027 Budget Appendix is shown as \$81 million (an allowable threshold) to address rounding across the fiscal years.

PROGRAM PURPOSE

HUD's Office of Fair Housing and Equal Opportunity (FHEO) works to eliminate housing discrimination and increase public understanding of Federal fair housing policies and laws. FHEO administers the Fair Housing Assistance Program (FHAP) that supports State and local enforcement agencies.

BUDGET OVERVIEW

The 2027 President's Budget requests \$26 million for Fair Housing activities. The funding supports the Fair Housing Assistance Program (FHAP), which provides State and local civil rights enforcement agencies with grants, training, and other assistance.

JUSTIFICATION

The Budget of \$26 million will enable State and local FHAP agencies to cover costs associated with increased salaries and expenses and competitive employee recruitment and retention.

Currently, there are 74 FHAP agencies in the program, including 34 States and 40 localities (including the District of Columbia). FHAP agencies investigate fair housing complaints to ensure compliance with fair housing laws and, where necessary, litigate complaints to address violations. FHAP agencies plan and conduct investigations, interview parties and witnesses, gather and analyze evidence, facilitate resolution, render determinations, and ensure compliance with settlement agreements. FHAP agencies also conduct education on fair housing and fair lending at events throughout their jurisdictions. In 2025, FHAP agencies processed 6,479 fair housing complaints and obtained monetary relief totaling \$7.5 million, in addition to public interest relief such as adoption or revision of nondiscrimination policies, education and outreach efforts, and fair housing training.

Performance Indicators

FHEO measures success by monitoring: 1) FHAP agency financial management techniques; 2) FHAP agency ability to meet the nine performance standards and program requirements at 24 CFR §§ 115.206 and 115.307; and 3) the number of cases processed by FHAP agencies each year and number of cases FHAP agencies resolved through recommendation of a legal charge of discrimination or a conciliation. FHEO monitors agency performance and conformity with regulatory requirements in connection with recertification.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Fair Housing Activities	86,355	62,243	148,598	82,563	86,355	62,726	149,081	26,000
Total	86,355	62,243	148,598	82,563	86,355	62,726	149,081	26,000

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), \$26,000,000, to remain available until September 30, 2028: Provided, That none of the funds made available under this heading may be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant, or loan.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Lead Hazard Control and Healthy Homes

Lead Hazard Reduction

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	295,600	407,003	-	-	702,603	405,405	215,052
2026 Appropriation	295,600	292,206	-	(2,000)	585,806	584,806	312,450
2027 President's Budget	110,000	1,000	-	-	111,000	111,000	348,135
Change from 2026	(185,600)	(291,206)	-	2,000	(474,806)	(473,806)	35,685

a/ 2025 Carryover includes \$6 million in recaptures.

b/ 2026 Carryover amount in the 2027 Budget Appendix is shown as \$293 million due to rounding.

c/ In accordance with the 2026 Appropriations Act (P.L.119-75), \$2 million in unobligated balances are transferred from the Lead Hazard Reduction account to the Public Housing Fund account.

d/ 2026 Obligation amount in the 2027 Budget Appendix is shown as \$586 million due to rounding.

PROGRAM PURPOSE

The Office of Lead Hazard Control and Healthy Homes (OLHCHH) is primarily responsible for HUD's lead-based paint and healthy homes activities, including the administration of the Lead Hazard Reduction program authorized by Title X of the Housing and Community Development Act of 1992. The OLHCHH's mission is to provide safe and healthy homes for families and children at-risk of lead exposure and other housing-related health hazards. OLHCHH funds grants to States, Tribes, local governments, and non-profit organizations that reduce lead-based paint hazards and other housing-related health and safety hazards in homes of low-income families, and funds technical studies to develop and evaluate cost-effective methods to protect children and their families from health and safety hazards in the home. OLHCHH also enforces HUD's lead-based paint regulations and provides outreach and technical assistance.

BUDGET OVERVIEW

The 2027 President's Budget requests \$110.0 million for the Lead Hazard Reduction program, which is \$185.6 million less than the 2026 Enacted level.

- Lead Hazard Reduction Grants: \$30 million in grants to make over 2,300 unassisted low-income older homes free of lead-based paint hazards.
- Lead Hazard Reduction Demonstration: \$50 million in grants to make 3,900 unassisted low-income older homes in jurisdictions with the most pre-1940 rental housing and highest rates of childhood lead poisoning cases free of lead-based paint hazards.
- Healthy Homes Grants and Support: \$30 million in grants under the Healthy Homes Initiative to, as described below, mitigate over 6,200 homes of low-income families of housing-related health and safety hazards and provide grants and contracts to conduct research into associated issues.
 - \$9 million in Healthy Homes Supplements to the Lead Hazard Reduction and Lead Hazard Reduction Demonstration grant programs, above, to mitigate multiple health hazards (besides the lead-based paint hazards that those programs address) that contribute to asthma, cancer, and unintentional injuries in 2,300 homes of low-income families (assumes per-unit cost of \$4,000).

- o \$21 million in Aging in Place Modification grants to treat housing-related health and safety hazards in 3,900 homes of low-income seniors to help enable them to age in place, of which \$7 million is for substantially rural communities (assumes per-unit cost of \$5,400).

JUSTIFICATION

Funding Impact

HUD would use 2027 appropriations to make approximately 12,400 homes of low-income families healthy and safe. These OLHCHH grants would benefit over 8,700 children by reducing elevated blood lead levels, asthma prevalence, and the likelihood of other illnesses and injuries. In the long term, lead remediation can mitigate the social costs of lifelong medical expenses, increased criminal activity, and lost productivity that would otherwise occur due to childhood lead poisoning. Grants awarded under the Aging in Place Modification Program would improve the quality of life for over 5,200 low-income seniors by helping them stay in their homes as they age.

Outcomes, Performance Indicators, and Other Evidence

The major performance indicator of accomplishments is the number of housing units of low-income families made lead-safe and/or healthy under its grant programs. For each OLHCHH grant program, the following table shows the estimated cost per housing unit treated and the estimated number of housing units to be treated under grants executed in 2027:

Grant Program	Estimated Cost per Housing Unit Treated	Estimated # of Treated Homes
Lead Hazard Reduction	\$12,900	2,300
Lead Hazard Reduction Demonstration	\$12,900	3,900
Healthy Homes Supplements to LHR and LHRD	\$4,000	2,300
Aging in Place Modification	\$5,400	3,900
[Urban and suburban communities; est. max. # units]	\$5,400	2,700
[Substantially rural communities; est. min. # units]	\$5,400	1,200

Note: Both the cost and number are estimates rounded to hundreds; due to rounding, some products may not correspond precisely with estimated funding levels.

HUD measures program success by meeting or exceeding the production targets of treated homes, which are homes that are made lead-safe and healthy through the grant programs. Grantees report the number of treated homes to the OLHCHH in quarterly reports (plus ad hoc reporting) through the Office's web-based Healthy Homes Grant Management System (HHGMS).

Past research under OLHCHH's Technical Studies programs and other research have demonstrated the effectiveness of the Office's approaches for identifying and addressing housing-related hazards. These standards have been used by HUD and the Environmental Protection Agency (EPA) in developing and evaluating their lead safety policies and programs, by HUD in developing and revising its lead safety guidelines and its lead and program guidance documents, and by trainers of lead and healthy homes professionals and contractors in their training materials.

Key Assumptions

For the Lead Hazard Reduction and Lead Hazard Reduction Demonstration grant programs, the projected production of lead-safe housing units assumes an average per-unit cost of \$12,900 in 2027, \$900 more than in 2025. This reflects anticipated increased costs associated with inflation and the more stringent end-of-project cleaning and clearance testing required by the amended EPA dust-lead rule published in November 2024, for which compliance has been required in 11 States as of January 2026 and will be required in the rest of the Nation as of January 2027.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Total Resources	2027 President's Budget
Lead Hazard Reduction Grant Program	95,000	178,639	273,639	103,934	50,600	48,832	99,432	30,000
Lead Hazard Reduction Demonstration Program	105,000	105,000	210,000	72,639	105,000	109,952	214,952	50,000
Technical Studies and Assistance	3,000	6,424	9,424	407	-	3,788	3,788	-
Healthy Homes	110,000	83,133	193,133	124,300	110,000	93,633	203,633	9,000
Healthy Homes - DOE Weatherization Assistance Program (WAP) [Non-Add]	5,000	5,206	10,206	-	-	5,000	5,000	-
Healthy Homes Financing Demonstration [Non-Add]	-	-	-	-	10,000	-	10,000	-
Aging in Place Modification Grants	30,000	30,545	60,545	104,125	30,000	34,000	64,000	21,000
Aging in Place Modification Grants (Rural) [Non-Add]	-	-	-	-	10,000	-	10,000	7,000
Radon Testing and Mitigation Resident Safety Demonstration	2,000	3,262	5,262	-	-	2,000	-	-
Unobligated Prior Year Balances Made Available	(49,400)	-	(49,400)	-	-	-	-	-
Total	295,600	407,003	702,603	405,405	295,600	292,206	585,806	110,000

a/ 2025 Budget Authority column includes the use of \$49.4 million in unobligated prior year balances made available by the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4).

b/ 2025 Carryover into 2026 column includes \$6 million in recoveries in Healthy Homes. The total 2025 Carryover into 2026 amount in the 2027 Budget Appendix is shown as \$293 million (an allowable threshold) to address rounding across the fiscal years.

c/ 2026 Total Resources are net of the \$2 million in unobligated balances transferred to the Public Housing Fund account in accordance with the 2026 Appropriations Act (P.L. 119-75).

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For the lead hazard reduction program, as authorized by section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4852), the healthy homes initiative, pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 and 1701z-2), and for related activities and assistance, \$110,000,000, to remain available until September 30, 2029: Provided, That the amounts made available under this heading are provided as follows:

(1) \$80,000,000 shall be for the award of grants pursuant to such section 1011, of which not less than \$50,000,000 shall be provided to areas with the highest lead-based paint abatement need; and

(2) \$30,000,000 shall be for the healthy homes initiative, pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970, which shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related diseases and hazards, and mitigating housing-related health and safety hazards in housing of low-income families, of which \$21,000,000 shall be for grants to experienced non-profit organizations, States, local governments, or public housing agencies for safety and

functional home modification repairs and renovations to meet the needs of low-income seniors to enable them to remain in their primary residence: Provided, That of the total amount made available for such grants no less than \$7,000,000 shall be available to meet such needs in communities with substantial rural populations:

Provided further, That for purposes of environmental review, pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act, a grant under the healthy homes initiative, or the lead technical studies program, or other demonstrations or programs under this heading in this or prior appropriations Acts, or under the heading "Housing for the Elderly" under prior Appropriations Acts, shall be considered to be funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994: Provided further, That each applicant for a grant or cooperative agreement under this heading shall certify adequate capacity that is acceptable to the Secretary to carry out the proposed use of funds pursuant to a notice of funding opportunity: Provided further, That amounts made available under this heading, in this or prior appropriations Acts, still remaining available, may be used for any purpose under this heading notwithstanding the purpose for which such amounts were appropriated if a program competition is undersubscribed and there are other program competitions under this heading that are oversubscribed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Salaries and Expenses Overview

SALARIES AND EXPENSES**

(Dollars in Thousands)

	2025*	2026			2027		
	Actuals	Carry Over	Enacted	Total	Carry Over	President's Budget	Total
Personnel Services:							
Personnel Services	1,577,001	56,296	1,104,423	1,160,719	42,659	1,129,876	1,172,535
Common Distributable	9,802	-	10,317	10,317	-	10,753	10,753
Total, Personnel Services	\$1,586,803	\$56,296	\$1,114,740	\$1,171,036	\$ 42,659	\$1,140,629	\$1,183,288
Non-Personnel Services:							
Travel	9,361	1,449	11,288	12,737	294	9,863	10,157
Transportation of Things	176	-	-	-	-	184	184
Rent and Utilities	118,293	252	116,868	117,120	4	111,098	111,102
Printing	1,191	130	1,300	1,430	2	1,191	1,193
Other services/Contracts	118,203	32,555	160,489	193,044	300	163,424	163,724
Training	1,690	243	5,925	6,168	100	2,005	2,105
Supplies	522	85	853	938	23	510	533
Furniture and Equipment	2,439	-	3,834	3,834	-	2,398	2,398
Claims and Indemnities	502	-	2,182	2,182	-	529	529
Total, Non-Personnel Services	\$252,377	\$34,714	\$302,739	\$337,453	\$723	\$291,202	\$291,925
Working Capital Fund	55,929	2,272	49,706	51,978	433	39,818	40,251
Carryover	93,282	-	43,815	43,815	-	42,351	42,351
Grand Total	\$1,988,391	\$93,282	\$1,511,000	\$1,604,282	\$43,815	\$1,514,000	\$1,557,815
FTEs	7,916	270	5,414	5,684	207	5,585	5,792
Staff On-board EOY	5,591	-	-	5,868	-	-	5,877

* Includes 2024 carryover.

** The Budget Object Class data provided here is for informational purposes only.

SALARIES AND EXPENSES OVERVIEW

The 2027 Budget requests \$1.5 billion for HUD salaries and expenses (S&E), a decrease of \$3 million from the 2026 Enacted level. The Budget reflects total S&E (carryover and new authority) of \$1.6 billion, which is \$46.5 million below 2026 total funding.

Additional budget details can be found in the chapters for the Executive Offices, Administrative Support Offices, Program Office Salaries and Expenses, Government National Mortgage Association, and the Working Capital Fund.

Staffing

The 2027 President's Budget (with carryover) supports a total of 5,792 full time equivalents (FTEs), which is an increase of 108 over estimated total 2026 levels.

SALARIES AND EXPENSES OVERVIEW

The 2027 PS funding level assumes no pay raise in 2027 and includes a -0.5 percent adjustment to agency 2027 contribution rates for FERS.

Account Structure

The 2027 Budget provides a streamlined funding structure for both the Administrative Support Offices and the Program Office Salaries and Expenses accounts that consolidate each of these accounts into a single funding line. This proposal enables the Department to align resources within the operating subcomponents in a strategic manner to ensure taxpayers are receiving the highest return on investment for these resources. The estimated allocations by office are provided below (also includes both the Executive Offices and the Government National Mortgage Association accounts):

Office	Budget Authority
Executive Offices	\$19,200,000
Office of the Chief Financial Officer	86,600,000
Payment Integrity	30,000,000
Office of the Chief Financial Officer Subtotal	\$116,600,000
Office of the General Counsel	93,300,000
Office of the Chief Administrative Officer	217,400,000
Office of the Chief Human Capital Officer	65,100,000
Office of the Chief Procurement Officer	24,700,000
Office of Field Policy and Management	43,900,000
Office of Dept. Equal Employment Opportunity	3,600,000
Office of the Chief Information Officer	60,500,000
2027 ASO Request Total	\$625,100,000
Public and Indian Housing	222,300,000
Community Planning and Development	125,500,000
Housing	363,500,000
Policy Development and Research	30,800,000
Fair Housing and Equal Opportunity	62,600,000
Office of Lead Hazard Control and Healthy Homes	9,000,000
2027 POSE Request Total	\$813,700,000
Government National Mortgage Association	\$56,000,000
Total (without OIG)	\$1,514,000,000

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Executive Offices

SALARIES AND EXPENSES**

(Dollars in Thousands)

	2025*	2026			2027		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Personnel Services	\$17,497	\$3,000	\$13,356	\$16,356	\$2,888	\$14,983	\$17,871
Non-Personnel Services							
Travel	422	600	-	600	294	400	694
Transportation of Things	-	-	-	-	-	-	-
Rent and Utilities	5	50	-	50	4	-	4
Printing	8	-	-	-	2	5	7
Other services/Contracts	164	833	100	933	300	242	542
Training	4	150	-	150	100	50	150
Supplies	91	75	-	75	23	40	63
Furniture and Equipment	-	-	-	-	-	-	-
Claims and Indemnities	-	-	-	-	-	-	-
Total, Non-Personnel Services	\$694	\$1,708	\$100	\$1,808	\$723	\$737	\$1,460
Working Capital Fund	378	329	-	329	433	-	433
Carryover	5,037	-	4,044	4,044	-	3,480	3,480
Grand Total	\$23,606	\$5,037	\$17,500	\$22,537	\$4,044	\$19,200	\$23,244
FTEs	79	14	63	77	15	69	84
Onboard Staff EOY	71	-	-	78	-	-	84

*Includes 2024 carryover for 2025 Actuals column.

**The Budget Object Class data provided here is for informational purposes only.

PROGRAM PURPOSE

The Executive Offices (EO) provide the overall direction and leadership for the Department. These offices are responsible for the overall development, implementation and management of the Department's priorities, which includes accomplishing the Department's efficiency goals, streamlining HUD's workforce and mission delivery, leveraging automation, increasing accountability, and promoting economic opportunity and self-sufficiency for HUD-assisted residents.

BUDGET OVERVIEW

The 2027 President's Budget requests \$19.2 million for the Executive Offices, which is \$1.7 million above the 2026 Enacted level. The Budget reflects total funding (carryover and new authority) of \$23.2 million, which is \$707 thousand above 2026 total funding.

Personnel Services (PS)

The Budget assumes total funding of \$17.9 million for PS to support 84 full-time equivalents (FTEs), which is an increase of 7 FTEs and \$1.5 million above the total 2026 PS funding level. This increase in FTEs will support critical hires in the Offices of the Secretary, Public Affairs, Adjudicatory Services, and Congressional and Intergovernmental Relations. These hires are in alignment with Executive Order 14356, Ensuring Continued Accountability in Federal Hiring and will bolster the Executive Offices capacity to meet its statutory objectives.

The 2027 PS funding level assumes no pay raise in 2027 and includes a -0.5 percent adjustment to agency 2027 contribution rates for FERS.

The estimated PS allocation by suboffice is provided below:

Suboffices	FTE Funding (Dollars in Thousands)	FTE
Office of the Secretary	\$5,441	25
Office of the Deputy Secretary	\$2,869	12
Office of Public Affairs	\$4,051	20
Office of Adjudicatory Services	\$1,799	8
Office of Congressional and Intergovernmental Relations	\$1,588	9
Office of Small and Disadvantaged Business Utilization	\$1,108	5
Center for Faith	\$1,015	5
TOTAL	\$17,871	84

Non-Personnel Services (NPS)

The Budget assumes total funding of \$1.5 million for NPS, which is \$348 thousand below the total 2026 NPS level. The 2027 NPS level assumes baseline adjustments which includes increases of \$94 thousand for travel and \$7 thousand for printing. These increases are offset by reductions in the rent and utilities line (-\$46 thousand), other services/contracts (-\$391 thousand), and supplies (- \$12 thousand) for a net NPS reduction of \$348 thousand compared to the 2026 total level. These 2027 reductions reflect the expected decrease in requirements as they normalize from the 2026 level.

Working Capital Fund (WCF)

The Budget assumes \$433 thousand for WCF expenses. Please see the WCF Congressional Justification for details on the current WCF business lines.

KEY OPERATIONAL INITIATIVES

- Provide program and policy guidance, and operations management and oversight in administering all programs, functions, and authorities of the Department
- Serve as the nerve center for all HUD activities and steer the Department's mission to create quality affordable homes for all and promote self-sufficiency
- Sustain a strong Executive Secretariat program for the Department that works in partnership with other offices, primarily Congressional and Intergovernmental Relations (CIR), Office of Public Affairs (OPA), and Office of General Counsel (OGC) to ensure

messaging is consistent across all platforms and representative of the voice and views of the Secretary and the Administration in line with the Department's mission

- Manage the Agency's Directives Program to ensure all policies, handbooks, and other guidance documents are current and cleared in accordance with HUD standards as outlined in the internal guidance
- Serve as the single point of contact to coordinate HUD's critical role in the Federal Government's preparedness, response, mitigation, and recovery from disasters that impact communities
- Coordinate congressional and intergovernmental relations activities involving program offices to ensure the effective and accurate presentation of the Department's views
- Coordinate the presentation of the Department's legislative matters to the Congress, and ensure that all testimony and responses to congressional inquiries are consistent with the Secretary's and the Administration's views
- Build partnerships with faith-based and nonprofit organizations through grant writing training, sustained outreach, convening events, information exchange, and capacity building programs

The Executive Office (EO) is fully committed to implementing the President's efficiency objectives by reducing unnecessary administrative overhead, eliminating waste, and optimizing the size and composition of the workforce. Staffing resources are aligned to maximize the effective utilization of remaining personnel based on mission-critical skill sets and capabilities. The 2027 budget prioritizes accountability to the American people by directing resources toward activities that deliver measurable results. Consistent with Administration priorities, investments are limited to functions essential to meeting HUD's statutory responsibilities and, where applicable, support domestic sourcing and procurement consistent with Buy American requirements.

OFFICE DESCRIPTIONS

Office of the Secretary

The Office of the Secretary (OSEC) provides program and policy guidance and operations management and oversight in administering all programs, functions and authorities of the Department. OSEC sets and enforces Federal housing policy objectives, implements the President's Housing agenda, and engages key stakeholders concerning affordable housing, self-sufficiency, and economic opportunity. This office includes the Office of Gender-Based Violence Prevention.

Office of the Deputy Secretary

The Office of the Deputy Secretary (DEPSEC) helps the Department achieve its mission by providing management and support to program offices across the Department, including a focus on those working with human capital, financial management, procurement, and information technology. In addition, the DEPSEC leads disaster coordination and management through the Office of Disaster Management which serves as the single point of contact to coordinate HUD's critical role in the Federal Government's preparedness, response, mitigation, and recovery from disasters that impact communities.

Office of Congressional and Intergovernmental Relations

The mission of the Office of Congressional and Intergovernmental Relations (CIR) is to proactively collaborate and engage with the United States Congress to improve the lives and outcomes of Americans and their families by advancing legislation and maintaining responsive and effective communications with Congress, State, and local government officials. CIR is the Department's focal point for all interactions and engagements with Members of Congress, authorization committees, personal office staff, and State and local elected officials.

Office of Public Affairs

The Office of Public Affairs strives to educate and keep the American people informed about the Department's mission. Using communications tools such as press releases, press conferences, the internet, media interviews, social media, and community outreach, OPA provides Americans with information about housing policies and programs that are important to them.

Office of the Adjudicatory Services

The Office of Adjudicatory Services (OAS) is an independent judicial office within the EO. The Office is headed by a Chief Administrative Law Judge, appointed by the Secretary, who supervises judges and administrative support staff. The OAS Administrative Judges (AJ) and Administrative Law Judges (ALJ) conduct hearings and make determinations regarding formal complaints or adverse actions initiated by HUD, based upon alleged violations of Federal statutes and implementing regulations, and make fair and impartial decisions based upon laws and facts established by evidence.

Office of Small and Disadvantaged Business Utilization

The Office of Small and Disadvantaged Business Utilization (OSDBU) plays a vital role in advancing the Department's mission by ensuring small businesses have the opportunity to compete for and succeed in Federal contracting opportunities.

Center for Faith

The Center for Faith serves as the Department's liaison between faith-based and community organizations, HUD program offices, and the White House Faith Office. This office assists in developing and coordinating HUD and the Administration's policy agenda affecting faith-based and other community programs and initiatives and optimizes the role of such efforts in communities.

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For necessary salaries and expenses for Executive Offices, \$19,200,000, to remain available until September 30, 2028: Provided, That not to exceed \$25,000 of the amount made available under this heading shall be available to the Secretary of Housing and Urban Development (referred to in this title as "the Secretary") for official reception and representation expenses as the Secretary may determine.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices Overview

SALARIES AND EXPENSES**

(Dollars in Thousands)

	2025*	2026			2027		
	Actuals	Carry Over	Enacted	Total	Carry Over	President's Budget	Total
Personnel Services:							
Personnel Services	431,166	31,290	286,713	318,003	11,238	318,689	329,927
Common Distributable	9,802	-	10,317	10,317	-	10,753	10,753
Total, Personnel Services	\$440,968	\$31,290	\$297,030	\$328,320	\$11,238	\$329,442	\$340,680
Non-Personnel Services:							
Travel	5,025	503	4,203	4,706	-	5,013	5,013
Transportation of Things	137	-	-	-	-	145	145
Rent and Utilities	118,288	202	116,868	117,070	-	111,098	111,098
Printing	1,114	130	1,300	1,430	-	1,186	1,186
Other services/Contracts	107,175	30,685	141,207	171,892	-	151,422	151,422
Training	1,106	85	4,338	4,423	-	1,163	1,163
Supplies	310	10	553	563	-	309	309
Furniture and Equipment	2,439	-	3,814	3,814	-	2,398	2,398
Claims and Indemnities	394	-	500	500	-	414	414
Total, Non-Personnel Services	\$235,988	\$31,615	\$272,783	\$304,398	-	\$273,148	\$273,148
Working Capital Fund	11,649	75	13,949	14,024	-	10,892	10,892
Carryover	62,980	-	11,238	11,238	-	11,618	11,618
Grand Total	\$751,585	\$62,980	\$595,000	\$657,980	\$11,238	\$625,100	\$636,338
FTEs	2,051	148	1,333	1,481	52	1,476	1,528
Onboard End of Year	1,399	-	-	1,611	-	-	1,611

* Includes 2024 carryover.

** The Budget Object Class data provided here is for informational purposes only.

PROGRAM PURPOSE

The Administrative Support Offices (ASO) provide Departmental operational management through Agency-wide governance, accountability, and delivery of enterprise services. The ASO's directly support HUD's program offices in their mission delivery responsibilities which enables the Department to foster strong communities, support affordable homeownership opportunities, and promote economic development and self-sufficiency for all Americans.

The 2027 Budget provides the necessary resources to continue Agency-wide leadership in the following critical areas:

- Support financial integrity, fiscal responsibility, accountability, stewardship of public resources;
- Issue legal opinions and advice with respect to all programs and Departmental activities;
- Management and operation of buildings nationwide;

ADMINISTRATIVE SUPPORT OFFICES

- Provide field support services, national security, emergency management, and protective functions;
- Formulate and implement strategic human capital policies;
- Interpret acquisitions policy and implementation;
- Support locally driven strategies and partner with community stakeholders in the field;
- Ensuring a fair and efficient workplace free of discrimination and harassment; and
- Facilitating a modern information technology posture that is secure, accessible, and cost effective.

The 2027 Budget provides a streamlined funding structure for ASO that consolidates these components into a single funding line. This proposal enables the Department to align resources within the operating subcomponents in a strategic manner to ensure taxpayers are receiving the highest return on investment for these resources. The estimated allocations by office are provided below:

Office	Budget Authority
Office of the Chief Financial Officer	86,600,000
Payment Integrity	30,000,000
Office of the Chief Financial Officer Subtotal	\$116,600,000
Office of the General Counsel	93,300,000
Office of the Chief Administrative Officer	217,400,000
Office of the Chief Human Capital Officer	65,100,000
Office of the Chief Procurement Officer	24,700,000
Office of Field Policy and Management	43,900,000
Office of Dept. Equal Employment Opportunity	3,600,000
Office of the Chief Information Officer	60,500,000
2027 ASO Request Total	\$625,100,000

The 2027 Budget makes critical investments consistent with the Administration's workforce-related policies, including Executive Order 14356, Ensuring Continued Accountability in Federal Hiring. Specifically, to solidify the historic reductions in the Federal workforce, the Department is only seeking staffing increases necessary to optimally deliver on key administration priorities, support statutory functions, and restore operational accountability. In keeping with this commitment, the 2027 ASO end of year headcount level of 1,611 is 23 percent below the prior Administration's 2025 start of year level of 2,104. The 2027 Budget supports a workforce that aligns to a modern operational model, one that prioritizes resources to achieve productive outcomes without unnecessary layers, duplicative processes, and overly specialized functions with redundant administrative support. To expand on these efficiencies, the Department will continue efforts to maximize value for taxpayers including assessing the distribution of workload across similar positions and shared skill sets, exploring opportunities for consolidation, and maximizing opportunities for process innovation.

BUDGET OVERVIEW

The 2027 Budget requests \$625.1 million for ASO, which is \$30.1 million above the 2026 Enacted level. The Budget reflects total funding (carryover and new authority) of \$636.3 million, \$21.6 million below 2026 total funding.

The requested funding levels for ASO reflects strategic investments in core operational functions within the Offices of the General Counsel (OGC), the Chief Administrative Officer (CAO), the Chief

Human Capital Officer (OCHCO), and the Chief Information Officer (OCIO). In addition to supporting core functions, the 2027 Budget provides a significant investment in payment integrity efforts to meet Secretary Turner's vision to promote accountability by strengthening program integrity and ensuring taxpayer-funded assistance reaches vulnerable communities in need and is not lost to fraud, waste, and abuse.

The Budget provides resources to accomplish a net hiring gain of 212 staff from the 2025 end of year level, which enables HUD to strategically increase the workforce to support Secretarial and Administration priorities. To achieve the net hiring gain of 212 staff by end of year 2027, hiring actions are anticipated to be greater than the 212 as it is necessary to backfill a portion of the projected attrition in 2026 and 2027 to support an overall net staffing gain. The additional staff supported by the 2027 Budget are aligned with Executive Order 14356, and the Department will implement these hires beginning in 2026 and sustain these levels in 2027. The proposed staffing increases are discussed in more detail within the Personnel Services section.

The 2027 Budget includes a significant investment of \$30 million in payment integrity efforts in alignment with this Administration's objective to safeguard taxpayer dollars. To support the efforts associated with Executive Order 14249, Protecting America's Bank Account Against Fraud, Waste, and Abuse, HUD will strategically deploy this funding to protect against financial fraud and prevent improper payments. This funding will enable HUD to begin to implement its strategy to improve the Department's financial integrity. The planned capabilities are discussed in further detail below:

- Recipient and Sub-recipient Reporting:
 - Builds upon the sub-recipient reporting pilot started in 2025, this effort mitigates longstanding, inherent risks in HUD program design where programs are frequently administered by a third party and usually involve complex projects and often with one or more tiers of sub-grantees. HUD is expanding sub-recipient reporting to all grant recipients in a phased approach beginning in 2026 with the buildout of tools and business processes. HUD plans to begin onboarding grant recipients to this enhanced reporting process starting in 2026 and continuing in 2027.
 - Provides a secure, simplified, and standardized portal for recipients to submit financial evidence and supporting documentation for disbursements, including evidence of sub-recipient and vendor spending.
 - Amplifies HUD staff ability to perform adequate and thorough grant oversight by enabling analytics that identify anomalies and risks and automating parts of compliance reviews and financial monitoring. By extending this monitoring all the way to the sub-recipient spending level, this will also improve HUD's payment integrity posture.
- Project Voucher:
 - Provides a secure, standardized mechanism for Public Housing Authorities (PHAs) and Performance-Based Contract Administrators to submit tenant- and household-level eligibility information required to administer HUD-assisted housing programs.
 - Establishes a system of record for tenant and family eligibility data submitted by PHAs. It supports historical tracking of eligibility determinations and changes over time to ensure transparency, auditability, and program integrity.
 - Allows for analysis of tenant eligibility data to support oversight, compliance monitoring, and risk identification across PHAs and programs. It provides visibility into patterns, anomalies, and trends that may indicate errors, inconsistencies, or potential noncompliance.

- Enables data analysis and gathering of self-reported data from tenants/families and recipients and sub-recipients, supported by evidence such as check and payment records from PHAs to landlords and recipients to sub-recipients.
- The tool will analyze and review data, documents, and evidence to verify eligibility for HUD's programs and facilitate the mapping of relationships between tenant and landlord (and recipient and sub-recipient) payments, while also analyzing interactions between PHA leadership and landlords and tenants (and recipients and sub-recipients).
- Business Process and Change Management:
 - Across the three workstreams identified above, funding will also support technical and contractual support to facilitate the necessary business process updates across the HUD program portfolio in alignment with the payment integrity initiative. This includes training of internal and external stakeholders, development of operating procedures and handbooks, and user support.

Personnel Services (PS)

The Budget assumes total funding of \$329.9 million for PS to support 1,528 full-time equivalents (FTEs), which is an increase of 47 FTEs and is \$11.9 million above the total 2026 PS funding level.

The 2027 PS funding level assumes no pay raise in 2027 and includes a -0.5 percent adjustment to agency 2027 contribution rates for FERS. As noted above, the 2027 Budget supports a net hiring increase of 212 staff.

Projected Onboard Staff Headcount and FTE Utilization*

Office	FY2025		FY2026		FY2027		Headcount Delta
	EOY	FTE	EOY	FTE	EOY	FTE	2027 EOY to 2025 EOY
OCFO	191	231	192	189	188	188	-3
OGC	380	592	411	385	411	408	31
OCAO	191	248	222	201	222	220	31
OCHCO	137	199	179	156	180	178	43
OCPO	96	140	112	102	112	97	16
FPM	194	358	198	192	201	201	7
ODEEO	14	19	14	14	14	14	-
OCIO	196	264	283	242	283	221	87
ASO Total	1,399	2,051	1,611	1,481	1,611	1,528	212

***Notes:**

Projected headcount and FTE utilization are for informational purposes only.

EOY: End of year headcount

FTE: Full-time equivalent calculation based on timing of hires and attrition. FTE amounts may not total due to rounding.

The additional staff over the 2025 end of year level totals 212 and includes a realignment of 3 staff from OCFO to OCIO for the Customer Experience function. The staffing increases for OCPO and FPM in 2026 provide for partial backfilling of attrition occurring in 2025, The staffing increases identified below are net hiring gains. Therefore, it is projected that hiring actions in 2026 and 2027 are projected to exceed these net gains which is necessary to accommodate projected attrition and sustain a net staffing increase.

A summary of the key operational staffing increases is provided below.

Office of General Counsel (31 staff)

Provide legal expertise focused on the Administration’s Housing policy objectives related to deregulatory efforts within HUD programs. These additional staff will also enable the Department to implement Administration directives through rigorous legal analysis and application of the Department’s statutory authority.

Office of the Chief Administrative Officer (31 staff)

Provide the staff necessary to right size the Secretary’s protective detail function to meet the current threat landscape and align with industry standards for protective functions. This increase in protective personnel is needed to avoid the use of excessive overtime which contributes to staff burnout and exposes this critical function to unnecessary levels of risk.

Office of the Chief Human Capital Officer (43 staff)

Provides the staffing resources necessary for HUD to absorb the human resources processing services previously funded through the Working Capital Fund. The Department received notice from Treasury’s Administrative Resource Center that it would discontinue these services beginning in 2027, requiring the Department to internalize these functions to ensure continuity of operations. Therefore, 2026 will serve as a transition year, during which the Department will implement

business and workforce planning efforts to support the orderly transfer and sustainment of these critical services. The additional staff are funded through a budget neutral realignment of resources previously allocated to each HUD customer S&E account. To facilitate this transition, funding is centralized in the ASO account to enable OCHCO to reestablish these functions within HUD.

Office of the Chief Information Officer (87 staff)

- Provide the internal expertise needed to meet HUD's information technology objectives that directly support Administration directives and HUD priorities on advancing Artificial Intelligence, improving cybersecurity, removing shadow IT, and reducing over reliance on contractor support. Over many years, HUD has relinquished much of its internal technical expertise and talent to specialized contract support which has not delivered the best value to taxpayers and HUD stakeholders. To correct this imbalance, the 2027 Budget is shifting from a contractor led environment to a highly skilled and efficient IT workforce that is capable of managing HUD's internal technical requirements at a lower cost as compared to contractor support.
- The 2027 Budget includes \$4 million to support premium pay for the 2210 job series. Given the competitive labor market for highly skilled technical staff, the Department is seeking premium pay authority to enhance recruitment and retention in this highly competitive field. The 2027 Budget recognizes that technology will be an important aspect of managing within HUD's new workforce footprint. The investment in the OCIO workforce reflects a commitment to key Administration objectives on cybersecurity and artificial intelligence. This will also enable HUD to lessen its reliance on third-party contractors while more nimbly leveraging advances in technology to respond to emerging needs.
- In 2025, the OCIO conducted a thorough review of shadow IT functions across the Department, which includes information technology solutions that operate outside of HUD's Information Technology Fund governance framework and that may not be compliant with the Federal Information Technology Acquisition Reform Act (FITARA). As part of this process, OCIO identified opportunities to better align existing staff skillsets from various program offices. The result of this effort was internal reassignments of staff to support HUD's IT mission using a centralized approach within the OCIO organization.

Common Distributable (CD)

The Budget assumes total funding of \$10.8 million for CD, which is \$436 thousand above the 2026 CD total funding level. This funding provides Workers' Compensation, Unemployment Compensation, Professional Liability Insurance reimbursements, the Department-wide Transit Subsidy Benefits Program, and Flexible Spending Account administrative fees.

Non-Personnel Services (NPS)

The Budget assumes total funding of \$273.1 million for NPS, which is \$31.3 million below the total 2026 NPS level. The Budget supports essential contract services related to agency financial reporting, audit compliance and remediation, data analytics, and improved financial operations. The Budget also supports funding for rent, utilities, facilities and administrative field support, essential training, and mission critical travel.

The Budget assumes the following baseline changes within the NPS budget object classes as compared to the 2026 total funding level.

- Travel: Increase of \$307 thousand to support increases in mission critical travel.
- Rent and Utilities: Decrease of \$6 million is projected which includes an assumed rent savings from the relocation to HUD's new headquarters.

- **Printing:** Decrease of \$244 thousand to support projected costs associated with program office printing requirements. While printing is projected to be lower than 2026 levels, the 2027 Budget reflects a centralization of printing costs within the ASO account; the Program Offices will no longer fund these requirements.
- **Other Services/Contracts:** Decrease of \$20.5 million. This change is attributable to the projected decrease in operations and maintenance requirements associated with HUD's departure from the Weaver building as well as the one-time relocation and move costs. This object class also includes \$30 million for the payment integrity initiative discussed above. In addition, the 2027 Budget includes \$15 million in NPS requirements to enable the OCHCO to reestablish some HR services within HUD given the discontinuation of these services from our shared services provider. This increase is funded through a budget neutral shift from the Working Capital Fund. The 2027 Budget includes \$1.6 million to transition HUD onto the Office of Personnel Management's (OPM) consolidated Core Human Capital Management (Core HCM) system. This investment will complement the Department's efforts to reestablish certain in-house HR processing services in 2026 and 2027 by consolidating core human capital management functions onto a single streamlined system, reducing the need for costly agency-specific solutions.
- **Training:** Decrease of \$3.3 million as training requirements stabilize from the 2026 projected level.
- **Supplies:** Decrease of \$254 thousand in miscellaneous supplies to normalize after an expected increase in requirements during 2026.
- **Furniture and Equipment:** Decrease of \$1.4 million as the requirements associated with the headquarters relocation decrease from the 2026 level.
- **Claims and Indemnities:** Decrease of \$86 thousand in alignment with a lower number of expected contract cancellations and settlement costs.

Working Capital Fund (WCF)

The Budget assumes \$10.9 million for WCF expenses. As noted above, the human resources processing services will be centrally funded within the OCHCO S&E allocation within the ASO account. The Budget provides flexibility to transfer funds to the WCF for residual human resources processing costs not fully transitioned by 2027. Please see the WCF Congressional Justification for details on the current WCF business lines.

KEY OPERATIONAL INITIATIVES

The 2027 Budget provides the resources required for the ASO's to fully support HUD's statutory responsibilities in the most cost-effective manner possible while also implementing key Administration objectives, which include:

- Implementing the requirements of Executive Order 14170, Reforming the Federal Hiring Process and Restoring Merit to Government Service. HUD has implemented leadership communication on merit principles, supervisory resources and tools, dedicated talent management, hiring metrics, technical assessments, and developed a strategic recruitment plan.
- A thorough review of the acquisition portfolio to ensure all executed contracts are aligned with the priorities of this Administration. To ensure all acquisitions meet this standard, HUD uses mission-based acquisition planning, multi-level reviews, implementation of updated Federal procurement regulations, competition, cost analyses, and rigorous oversight and performance monitoring.

- Elimination of shadow IT functions in favor of a focused, centralized approach to technology that will improve the long-term efficiency and effectiveness of technology at HUD while ensuring capabilities developed are secure and aligned with mandatory requirements.
- Investments in new staff with top tier information technology expertise to reduce reliance on rigid, costly contracts, especially around newly emerging business needs.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

The 2027 President's Budget includes the following general provision:

- 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. (Sec. 211)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For necessary salaries and expenses for Administrative Support Offices, \$625,100,000, to remain available until September 30, 2028: Provided, That funds made available under this heading may be used for necessary administrative and non-administrative expenses of the Department, not otherwise provided for, including purchase of uniforms, or allowances therefor, as authorized by sections 5901 and 5902 of title 5, United States Code; hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code: Provided further, That notwithstanding any other provision of law, funds appropriated under this heading may be used for advertising and promotional activities that directly support program activities funded in this title.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Program Offices Salaries and Expenses Overview

SALARIES AND EXPENSES**

(Dollars in Thousands)

	2025*	2026			2027		
	Actuals	Carry Over	Enacted	Total	Carry Over	President's Budget	Total
Personnel Services:	\$1,069,086	\$19,980	\$754,419	\$774,399	\$22,468	\$746,278	\$768,746
Non-Personnel Services:							
Travel	3,914	346	7,085	7,431	-	4,161	4,161
Transportation of Things	39	-	-	-	-	39	39
Rent and Utilities	-	-	-	-	-	-	-
Printing	69	-	-	-	-	-	-
Other services/Contracts	10,864	1,037	19,182	20,219	-	11,596	11,596
Training	580	8	1,587	1,595	-	621	621
Supplies	121	-	300	300	-	129	129
Furniture and Equipment	-	-	20	20	-	-	-
Claims and Indemnities	108	-	1,682	1,682	-	115	115
Total, Non-Personnel Services	\$15,695	\$1,391	\$29,856	\$31,247	-	\$16,661	\$16,661
Working Capital Fund	42,158	1,868	35,757	37,625	-	28,053	28,053
Carryover	23,239	-	22,468	22,468	-	22,708	22,708
Grand Total	\$1,150,178	\$23,239	\$842,500	\$865,739	\$22,468	\$813,700	\$836,168
FTEs	5,524	100	3,806	3,906	114	3,828	3,942
Onboard End of Year	3,901			3,944			3,942

* Includes 2024 carryover.

** The Budget Object Class data provided here is for informational purposes only.

PROGRAM PURPOSE

The Program Offices Salaries and Expenses components are directly responsible for executing the Department's programmatic funding. The 2027 Budget provides the necessary resources to carry out program administration and oversight while supporting core mission objectives such as promoting access to quality and affordable housing, expanding the housing supply, and unlocking homeownership opportunities for the American people. The Department is committed to furthering the promise of self-sufficiency for every American while promoting economic development to revitalize rural, Tribal, and urban communities across the country.

The 2027 Budget provides a streamlined funding structure for the Program Offices Salaries and Expenses that consolidates these components into a single funding line. This proposal enables the Department to align resources within the operating subcomponents in a strategic manner to ensure taxpayers are receiving the highest return on investment for these resources.

PROGRAM OFFICES SALARIES AND EXPENSES

The estimated allocations by office are provided below:

Office	Budget Authority
Public and Indian Housing	222,300,000
Community Planning and Development	125,500,000
Housing	363,500,000
Policy Development and Research	30,800,000
Fair Housing and Equal Opportunity	62,600,000
Office of Lead Hazard Control and Healthy Homes	9,000,000
2027 POSE Request Total	\$813,700,000

The 2027 Budget is in alignment with the Executive Order 14356, Ensuring Continued Accountability in Federal Hiring. Specifically, to solidify the historic reductions in the Federal workforce and maintain the significant efficiency gains, the Department is only seeking to strategically backfill critical positions within Program Offices while largely maintaining the staffing reductions realized in 2025. These key hires are necessary to optimally deliver on key Administration priorities, support statutory functions, and restore programmatic accountability. In keeping with this commitment, the 2027 Program Offices end of year headcount level of 3,942 is 33 percent below the prior Administration’s 2025 start of year level of 5,849.

The 2027 Budget supports a workforce that aligns to a modern operational model, one that prioritizes resources to achieve productive outcomes without unnecessary layers, duplicative processes, and overly specialized functions with redundant administrative support. To expand on these efficiencies, the Department will continue efforts to maximize value for taxpayers including assessing the distribution of workload across similar positions and shared skill sets, exploring opportunities for consolidation, and maximizing opportunities for process innovation.

BUDGET OVERVIEW

The 2027 Budget requests \$813.7 million for the Program Offices Salaries and Expenses, which is \$28.8 million less than the 2026 Enacted level. The Budget reflects total funding (carryover and new authority) of \$836.2 million, which is \$29.6 million below 2026 total funding.

Personnel Services (PS)

The Budget assumes total funding of \$768.7 million for PS to support 3,942 full-time equivalents (FTEs), which is an increase of 36 FTEs and is \$5.7 million below the total 2026 PS funding level. The 2027 PS funding level assumes no pay raise in 2027 and includes a -0.5 percent adjustment to agency 2027 contribution rates for FERS. As noted above, the 2027 Budget largely sustains the program offices staffing reductions realized in 2025. The staffing increases in 2026 provide for limited backfills for attrition in critical positions that directly support this Administration’s objectives. This includes backfilling grants management specialists within the Office of Public and Indian Housing, as well as underwriting, asset management, account executives, and financial analysts within the Office of Housing. Additional backfills will occur within the Office of Community Planning and Development to support grants management and oversight functions.

Projected Onboard Staff Headcount and FTE Utilization*

Office	FY2025		FY2026		FY2027	
	EOY	FTE	EOY	FTE	EOY	FTE
PIH	1,043	1,464	1,048	1,045	1,052	1,052
CPD	565	814	583	571	578	578
HSG	1,803	2,462	1,820	1,808	1,820	1,820
PD&R	138	190	138	138	137	137
FHEO	313	541	315	304	315	315
OLHCHH	39	53	40	39	40	40
POSE Total	3,901	5,524	3,944	3,906	3,942	3,942

***Notes:**

Projected headcount and FTE utilization are for informational purposes only.

EOY: End of year headcount

FTE: Full-time equivalent calculation based on timing of hires and attrition

Non-Personnel Services (NPS)

The 2027 Budget assumes total funding of \$16.7 million for NPS, which is \$14.6 million below the total 2026 NPS level. The NPS allocation supports essential requirements necessary to facilitate administration of HUD's programmatic requirements. The reduction in NPS funding for 2027 reflects a commitment to safeguarding taxpayer dollars by ensuring resources are prioritized and allocated to meet core mission needs. The Department has implemented the Secretary's vision for containing costs while maximizing the resources available to maintain statutory functions and programs.

The Budget assumes the following baseline changes within the NPS budget object classes as compared to the 2026 total funding level.

- **Travel:** Decrease of \$3.3 million in mission critical travel as oversight capabilities shift to automated methods.
- **Other Services/Contracts:** Decrease of \$8.6 million. This change is attributable to the projected increase in contract support in 2026 that is not expected to be repeated in 2027.
- **Training:** Decrease of \$974 thousand as training requirements stabilize from the 2026 projected level.
- **Supplies:** Decrease of \$171 thousand in miscellaneous supplies due to normalization after an expected increase in requirements during 2026.
- **Claims and Indemnities:** Decrease of \$1.6 million in alignment with a lower number of expected contract cancellations and settlement costs.

Working Capital Fund (WCF)

The Budget assumes \$28.1 million for WCF expenses. Please see the WCF Congressional Justification for details on the current WCF business lines.

KEY OPERATIONAL INITIATIVES

The 2027 Budget provides the resources required for the Program Offices to fully support HUD's statutory responsibilities in the most cost-effective manner possible. Specifically, it provides the administrative resources to oversee HUD's programmatic efforts in the following key areas:

- Maintaining access to safe and affordable housing options, including rental assistance programs, and preserving existing affordable housing.
- Supporting residents in achieving economic independence and building wealth through various initiatives like homeownership and job training.
- Addressing homelessness nationwide through program reforms that expand the services and housing interventions available to individuals and families who are homeless or at-risk of homelessness.
- Supporting sustainable homeownership for creditworthy borrowers, especially first-time homebuyers, through the Federal Housing Administration (FHA).

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

The 2027 President's Budget includes the following general provision:

- 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. (Sec. 211)

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For necessary salaries and expenses for Program Offices, \$813,700,000, to remain available until September 30, 2028: Provided, That notwithstanding any other provision of law, funds appropriated under this heading may be used for advertising and promotional activities that directly support program activities funded in this title.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Chief Financial Officer

Working Capital Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	69,849	18,088	-	-	87,937	63,526	66,312
2026 Appropriation	65,206	11,336	-	-	76,542	65,206	65,206
2027 President's Budget	40,251	11,336	-	-	51,587	40,251	40,251
Change from 2026	(24,955)	-	-	-	(24,955)	(24,955)	(24,955)

a/ For 2025, the variance between the enacted amount and the actual obligations reflects the use of carryover funds at the beginning of the fiscal year.

PROGRAM PURPOSE

HUD's Working Capital Fund (WCF) was established by H.R.2029 - Consolidated Appropriations Act, 2016 (Public Law No: 114-113), as authorized by the Department of Housing and Urban Development Act, 1965 [Public Law No: 89-174, 42 USC §3535(f)]. The purpose of HUD's WCF is to promote economy, efficiency, and accountability. The WCF finances critical department-wide Federal shared services on a full cost recovery basis using a buyer-seller approach.

BUDGET OVERVIEW

The 2027 President's Budget requests \$40.3 million for the WCF shared services, which is \$24.9 million less than the 2026 Enacted level. The 2027 Budget does not fund centralized Human Resources Processing services, which is being discontinued by Treasury's Administrative Resource Center (ARC). Pending development of the plan to wind down WCF operations, this request provides funding in the HUD offices Salaries and Expenses (S&E) accounts to support the estimated costs of shared services.

The WCF was established with the following objectives:

- Advance efficient, department-wide delivery of shared services to support mission execution and operational effectiveness.
- Strengthen fiscal stewardship by aligning service costs with actual utilization.
- Eliminate redundancies and achieve cost savings through consolidated administrative services.
- Enhance financial and operational transparency, providing leadership with improved visibility into the governance, performance, and cost of shared services.

These objectives provide the framework for leadership decisions related to the management and funding of shared services.

Federal shared services providers include the following:

- Treasury ARC provides financial management services; the Treasury Common Services Center (TCSC) provides human resources end-to-end processing servicing, travel and procurement services; and the Treasury Shared Services Programs (TSSP) provides human resources platform services;
- The National Finance Center (NFC) provides payroll processing services, including payroll policy support and tax reporting;
- The National Archive and Records Management (NARA) provides records management services, including the storage and service of HUD’s records at NARA’s Federal Records Centers;
- The Government Publishing Office (GPO) facilitates printing services for HUD, including the lease of multi-functional devices with print, copy, scan and fax functions and related support activities for HUD’s headquarters and field locations; and
- Scanning and Digitalization services are provided through HUD’s Scanning Service Center.

Table 1 below provides the WCF cost estimates for shared services by fiscal year.

TABLE 1
(Dollars in Thousands)

WORKING CAPITAL FUND		2025 Enacted	2026 Enacted	2027 President's Budget	Changes (+/-)
Summary	Full-Time Equivalent (FTE)	13	11	14	3
	Personnel Services (PS)	2,397	1,973	2,552	579
	Non-Personnel Services (NPS)	67,452	63,233	37,699	(25,534)
	Total Enacted/Requested	69,849	65,206	40,251	(24,955)
	Carryover	18,088	11,336	11,336	-
	Total Resources	87,937	76,542	51,587	(24,955)
Shared Services Funding Detail	Financial Management	30,976	22,747	23,202	455
	Human Resources Processing, Procurement and Travel*	27,795	31,570	5,220	(26,350)
	Treasury Shared Services Programs	1,928	2,138	2,138	-
	Payroll Processing	1,305	1,147	1,204	57
	Records Management	3,367	4,083	3,899	(184)
	Printing Services	2,800	2,377	2,582	205
	Scanning and Digitalization	568	469	507	38
	Skillsoft License	-	-	437	437
	Working Capital Fund Operations	1,110	675	1,061	386
	Total Shared Services and Operations	69,849	65,206	40,251	(24,955)

a/ Starting October 1, 2025, Treasury realigned Procurement, Travel and HR Processing services from ARC to the Treasury Common Services Center (TCSC). Also, starting in FY 2027, HR Processing services are being discontinued by Treasury and returning to HUD.

JUSTIFICATION

The Working Capital Fund Division (WCFD) manages the Fund’s financial operations and governance, ensuring full recovery of operational costs. It also manages daily financial activities, ensuring transparent unit cost accounting and customer reimbursement for their share of services.

The WCF aims to provide efficient service, cost transparency, economies of scale, and equitable cost distribution to customers, while exploring opportunities for cost reduction in current business lines.

From 2026 to 2027, the WCF estimates a 38 percent decrease from \$65.2 million to \$40.3 million. This change reflects the discontinuation of HR processing services by Treasury, the addition of a new business line for Skillsoft License, inflationary adjustments, and other shared services cost changes.

For FY 2027, the Consolidated Appropriations Act 2026 directs HUD to wind down the WCF operations. As the plan is still being developed and its timing has not been finalized, this Congressional Justification does not reflect those changes. However, the plan will provide for the estimated reallocation of funds for shared services to the business line owners’ S&E accounts.

Table 2 below provides a breakout of the WCF funding resources for each office.

TABLE 2
(Dollars in Thousands)

HUD Offices	2026 Enacted	2027 President's Budget	Change (+/-)
Office of the Chief Administrative Officer	2,195	1,337	(858)
Community Planning and Development	7,188	4,118	(3,070)
Executive Offices	707	433	(274)
Fair Housing and Equal Opportunity	2,842	1,311	(1,531)
Government National Mortgage Association	1,876	873	(1,002)
Office of Lead Hazard Control and Healthy Homes	534	407	(128)
Housing	19,317	11,558	(7,759)
Office of the Chief Financial Officer	4,349	3,702	(647)
Office of the Chief Human Capital Officer	1,767	687	(1,080)
Office of the Chief Information Officer	2,074	1,422	(652)
Office of the Chief Procurement Officer	1,987	1,529	(458)
Office of Departmental Equal Employment Opportunity	260	121	(139)
Field Policy and Management	2,276	1,088	(1,188)
Office of General Counsel	2,580	1,006	(1,575)
Policy Development and Research	1,576	1,111	(464)
Public and Indian Housing	13,678	9,548	(4,130)
Total	65,206	40,251	(24,955)

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

Appropriations Language Changes

The 2027 President’s Budget proposes streamlined WCF appropriations language. This language aligns more closely with the WCF’s authorizing language by removing specific services included

and/or proposed for inclusion. The continued addition of new services to the list of allowable activities diverts the WCF from its authorized purpose, to support the operations and maintenance of HUD activities that the Secretary determines promote economy and efficiency.

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For the Working Capital Fund (referred to in this paragraph as the "Fund"), established pursuant to section 7(f) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(f)), amounts transferred, including reimbursements, to the Fund under this heading shall be available, without fiscal year limitation, for any expenses necessary for the maintenance and operation of the Department that the Secretary finds to be desirable in the interest of economy and efficiency: Provided, That expenses of operation under such section 7(f) shall include operational reserves.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Chief Information Officer

Information Technology Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Transfers	Total Resources	Obligations	Net Outlays
2025 Appropriation	383,050	89,393	-	19,706	492,149	328,310	409,345
2026 Appropriation	345,000	165,005	-	1,980	511,985	425,725	381,584
2027 President's Budget	361,000	91,260	-	-	452,260	395,388	311,539
Change from 2026	16,000	(73,745)	-	(1,980)	(59,725)	(30,337)	(70,045)

a/ Carryover column includes recaptures from prior years. Anticipated recaptures for 2026 and 2027 are \$5 million.

b/ 2025 transfers include \$17.82 million from the Technology Modernization Fund (TMF) for Enterprise Identity Credential (eICAM) and Access Management, and \$1.85 million for Disaster Recovery Data Portal (DRDP).

c/ 2026 transfers include \$1.98 million from the Technology Modernization Fund (TMF) for Enterprise Identity Credential and Access Management (eICAM). The last TMF transfer is anticipated in FY2026.

PROGRAM PURPOSE

The Information Technology (IT) Fund provides for the technology infrastructure, systems, and services that support all HUD programs, which include all of HUD's mortgage insurance, rental subsidies, and grants. The IT fund provides secure IT applications, systems and capabilities that are used to carry out and support the programs and administrative operations and activities of the Department.

BUDGET OVERVIEW

The 2027 Budget requests \$361 million for the Information Technology Fund is \$361 million, which is \$16 million above 2026 Enacted. The Office of the Chief Information Officer (OCIO) plans to use these resources primarily for Operations and Maintenance (O&M) activities.

The Budget provides \$361 million for O&M to sustain and strengthen the foundation of HUD's IT portfolio. Consistent with the flexibility provided in the 2026 appropriation, HUD may allocate resources to Development, Modernization, and Enhancement (DME) initiatives on an as-needed basis to address emerging enterprise and program-specific requirements. These DME initiatives will be funded through cost-neutral shifts from O&M as savings are realized.

To maximize the use of all available resources, HUD will repropose IT Fund appropriations language that provides the flexibility to use prior-year unobligated balances, including recaptures, to support either O&M or DME activities in alignment with Administration priorities. This flexibility will allow HUD's OCIO to prioritize IT investments for enterprise initiatives that increase operational efficiency, support HUD's evolving program delivery model, and improve customer service.

Utilizing a portion of planned O&M funding will also provide flexibility within the 2027 Budget to address emerging and unforeseen development requirements. Any changes or updates to the budget will be implemented through the 2027 operating plan following enactment of the full-year appropriations bill.

The Budget supports the following key objectives:

- Supports the Department-wide efforts led by the Office of the Chief Financial Officer to enhance payment integrity compliance and modernize the voucher process.
- Ensures continuation of program-area IT systems, applications and capabilities, which play a critical role in enabling the mission and administrative functions of the agency.
- Continues to mature the 24x7 Enterprise Security Operations Center/Computer Incident Response capability, with focus on advanced threat intelligence and automation.

The 2027 Budget acknowledges HUD's efforts to consolidate and simplify the Department's websites to promote cost savings and enhanced user experience.

The IT Fund advances the Administration's priorities for eliminating waste, fraud, and abuse while protecting the integrity of financial transactions and realizing efficiencies throughout Government services as outlined in: Executive Order (EO) 14271: Ensuring Commercial, Cost-Effective Solutions in Federal Contracts; EO 14249: Protecting America's Bank Account Against Fraud, Waste, and Abuse; EO 14247: Modernizing Payments To and From America's Bank Account; EO 14243: Stopping Waste, Fraud, and Abuse by Eliminating Information Silos; EO 14158: Establishing and Implementing the President's "Department of Government Efficiency"; OMB memoranda M-25-21 Accelerating Federal Use of AI through Innovation, Governance, and Public Trust; and M-25-22 Driving Efficient Acquisition of Artificial Intelligence in Government, among others.

OCIO is addressing HUD-wide program offices' IT related activities to ensure all IT activities are secure and align with the strategic goals of the organization. Between FY22 and FY26, OCIO is aware of approximately \$218 million in program office funded IT initiatives that went through the FITARA process. OCIO is ensuring the systems associated with the program funded activities meet HUD and Federal IT investment mandates, including cyber security requirements. OCIO is working with OCPO and OCFO to identify program funded IT initiatives that have not undergone a FITARA review.

JUSTIFICATION

HUD is pursuing strategic realignments throughout the Department to maximize the impact of operational resources to deliver on HUD's mission. The Office of the Chief Information Officer (OCIO) will ensure IT investments are aligned to and support HUD's more efficient posture, which is a critical component to realizing the improvements mandated by the President's agenda. The Budget also reflects HUD's commitment to continuously improve the management of IT spending by leveraging commercial technologies and realigning the Department's IT footprint, by hiring additional federal FTEs that will have the skillset to develop solutions in house, therefore reducing HUD dependency on contractors.

The following table summarizes the 2027 IT Fund budget by O&M vs. DME.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2025 Budget Authority	2024 Carryover Into 2025	2025 Adjustments	2025 Total Resources	2025 Obligations	2026 Appropriation	2025 Carryover Into 2026	2026 Adjustments	2026 Total Resources	2027 President's Budget
Information Technology Fund (Direct Appropriation)	383,050	89,393	19,706	492,149	328,310	345,000	165,005	1,980	511,985	361,000
Operations and Maintenance [Non-Add]	372,160	45,067	-	417,227	293,699	345,000	128,036	(13,060)	459,976	361,000
Development, Modernization and Enhancements [Non-Add]	10,890	44,317	19,706	74,913	34,611	-	36,969	15,040	52,009	-
Total	383,050	89,393	19,706	492,149	328,310	345,000	165,005	1,980	511,985	361,000

Operations and Maintenance (O&M)

The Budget includes \$361 million for infrastructure, services, and business applications that support HUD’s programs with the necessary security to protect the Agency’s data and information resources. The O&M funds provide and maintain capabilities for HUD programs and are used to maintain and improve existing IT infrastructure, such as computer hardware, network and communications, support services, enterprise software licenses, and cybersecurity. In 2027, HUD will continue to align the IT portfolio with the Departmental priorities. As HUD realigns to its new workforce footprint and achieves efficiency gains from system consolidation, there is an expectation that the cost savings from sunsetting systems will be realized starting in 2027.

A 3-year breakout of O&M obligations by investment category follows, in Table 1.

Table 1: Operations & Maintenance (O&M) by Year**
(Dollars in Thousands)

Investment (O&M Portion Only)	2025 Actuals O&M	2026 Operating Plan O&M with Carryover	2027 President's Budget O&M
Business Applications	69,061	120,372	90,880
<i>Major</i>	52,129	86,832	62,457
Enterprise Grants Management	9,745	11,155	8,456
Financial Management Technology Support	7,907	13,381	9,294
Multifamily Housing and Healthcare Facilities	4,453	10,616	7,029
Public and Assisted Housing Oversight	7,298	13,876	10,267
Single Family Housing	22,726	37,804	27,411
<i>Non-Major</i>	16,932	33,540	28,423
Acquisition Management	0	2,360	1,246
Administrative Services	182	1,262	614
Communications Support	3,199	5,023	2,695
Contact Center	723	3,799	3,716
Data Management Services	3,593	4,475	3,916
Document Management	2,766	2,502	2,486
Geospatial Services	1,425	3,231	2,830
Human Resources Services	3,298	3,358	3,643
Legal Oversight	159	4,392	3,800
Regulatory Enforcement	1,587	3,138	3,477
Infrastructure and Enterprise Support	187,132	304,629	217,485
Application	1,982	4,063	4,871
Data Center and Cloud	85,190	125,798	87,023
End User	75,962	119,467	95,924
IT Management	399	25,558	316
Network	22,728	28,801	28,492
eGov	871	942	859
IT Security Services	37,506	34,975	52,635
Total Portfolio	293,699	459,976	361,000

* 2025 amounts are actual obligations.

**2026 IT Management is higher in the Operating Plan due to the establishment of Management Reserve for HUD Enterprise Information Technology Modernization and Enhancement projects.

***Individual investment descriptions are shown in Appendix A.

Business Applications Support (\$90.9 million)

The Budget includes \$90.9 million to fund the business applications in Major and Non-Major investments. The Budget supports over 80 IT systems and services across HUD. HUD will continue activities begun in 2025 to align the portfolio of applications it maintains consistently with the objectives described in the programmatic sections of the Budget. This will identify efficiency and effectiveness opportunities for application decommissioning or consolidation. The funding will also allow HUD to eliminate more of its “technical debt” which continues to impact system performance, scalability, and resilience. This will provide opportunities for realizing efficiencies through economies of scale and adoption of cloud and commercial-based solutions in accordance with recent Executive Orders. The requested funding level enables HUD to take advantage of the planned infrastructure

and security improvements and address lingering issues such as upgrading from end-of-life and end-of-service hardware and software.

The Budget supports the ongoing use of artificial intelligence and automation to improve operations. Ongoing legacy systems and new capabilities deployed in 2024 and 2025 to meet the Agency's critical priorities require O&M support to maintain business continuity. FHA Catalyst, Service Now, and Internet/Intranet are examples of system capabilities that had significant infrastructure upgrades and functional capabilities that were automated to improve operational effectiveness and efficiency, while also enhancing the internal and external customer experience. Notable accomplishments for those projects include:

FHA Catalyst

Highlights:

- Streamlined creating and tracking progress for servicing binder requests which allows FHA servicers to upload binders and track their progress. Binder transfers in Computerized Homes Underwriting Management System (CHUMS) by lenders are reflected automatically in FHA Catalyst (FCAT), therefore improving the lender experience.
- Configuration changes and facilitated Unified Home Ownership Centers (HOC) ARP solution required for quarter starting January 2026.

ServiceNow

Core Platform & Discovery: Setup the FedRAMP ServiceNow platform per HUD's requirements.

Highlights:

- Developed core platform integrations.
- Populated personnel/asset data in the configuration management database (CMDB).
- Implemented agent-less discovery capabilities to scan HUD network to discover IT assets.
- Established framework for Operations & Maintenance processes.

IT Service Management: Service Desk modernization providing greater transparency into IT Operations and reducing service calls volume through greater self-service.

Highlights:

- Enterprise-wide migration of legacy Service Desk capabilities to ServiceNow platform.
- Rolled out of employee "self-service" portal for submitting IT requests and knowledge base (KB) for agency wide consumption.
- Implemented automated workflows for service catalog items.
- Created advanced reporting capabilities.

Software Asset Management: Provides HUD with advanced Software Asset Management (SAM) capabilities to assist with right-sizing licensing spend.

Highlights:

- Implemented capability to discover software installed on devices within HUD environment.
- Enabled software license sourcing/assignment to meet software license compliance requirements.

- Built a modern software catalog for HUD employees to request enterprise-approved software.

Operations & Maintenance (O&M): Conduct operations and maintenance of ServiceNow platform and applications, including Tier 3 support & remediation.

Highlights:

- Developed standard intake process for Product Owners to submit new enhancement requests.
- Completed major platform upgrade (from Vancouver to Xanadu) in March 2025 as part of annual platform maintenance.
- Scheduled deployment releases to push stories to production monthly.

Internet/Intranet

Highlights:

- Built web content and replicated features for HUD@work intranet site.
- Hud.gov relaunched in January 2025 following a full migration from Drupal 7 to Drupal 10 which helped to streamline the hud.gov site from 9,200 to 842 pages.
- Redesigned all state-specific HUD.gov pages in December 2024 in support of modernization initiative.

Over the past year, HUD's in-house development team has been a pivotal force in modernizing HUD's operations, delivering digital solutions that directly enhance mission effectiveness and operational efficiency. A prime example is the Housing Risk Automation solution, which transformed a manual, spreadsheet-driven process into a fully automated analytical pipeline for real-time risk insights for the Office of Housing. We empowered the Office of the Chief Human Capital Officer with the CHCO Recruitment Tracking Dashboard to accelerate hiring, and we drove economic opportunity by delivering the Office of Small and Disadvantaged Business Utilization (OSDBU) Forecast Dashboard, a key tool that helps small businesses engage with HUD to deliver services to communities. Foundational enterprise systems were also a key focus, with the delivery of the Project & Portfolio Management solution and the Business Needs/FITARA Intake System to standardize and accelerate IT governance and project approvals.

These accomplishments demonstrate OCIO's capacity to serve as a strategic asset and an engine for innovation within the agency. The solutions delivered this year are not just technical achievements; they represent a fundamental shift towards a more data-informed, agile, and efficient HUD. Continued and enhanced financial support is crucial to build upon this momentum. By investing in OCIO, HUD is investing in the ability to tackle more complex challenges, scale these successes across other program areas, and expand HUD's positive impact on both internal operations and the communities we serve. This support will allow HUD to continue developing the modern digital tools necessary to effectively and responsibly deliver on HUD's core housing mission for the American people.

IT Infrastructure and Enterprise Support (\$217.5 million)

IT Infrastructure encompasses data centers, end-user hardware and support services, annual technology refresh, network and communications, and cloud operations and infrastructure. These resources ensure HUD maintains operational readiness while enabling program offices to transition to modernized technologies with minimal disruption to mission delivery. Funding also supports

remediation of infrastructure-related cybersecurity gaps and reduces operational risks associated with reliance on contractor-owned assets across multiple legacy contract vehicles.

HUD will continue a critical infrastructure modernization initiative through the relocation of its disaster recovery (DR) data center to a new GSA-managed facility. This effort aligns with HUD's long-term IT modernization strategy and enhances resiliency, cost-efficiency, and system availability. Transitioning from a traditional "hot/cold" recovery model to a modern "active/active" configuration will improve performance and continuity of services for HUD programs and stakeholders nationwide. The Budget supports:

- Transitioning to consolidated cloud and enterprise software contracts to eliminate redundancies and improve efficiency.
- Modernizing and expanding the use of commercial cloud infrastructure and platform services.
- Leveraging low-code/no-code technologies to streamline internal business processes.
- Modernizing equipment and services to better serve the American public.

During the first quarter of the fiscal year, HUD initiated the relocation of its headquarters from Washington, DC to Alexandria, VA. This move supports a more modern, efficient, and flexible workplace environment. It enables a modern digital workplace with enhanced end-user computing, advanced collaboration tools, and improved device lifecycle management to support a hybrid workforce. Operational efficiency is further improved through an integrated workplace management platform that streamlines service requests, space utilization, reservations, and facilities and asset tracking.

The relocation also advances infrastructure modernization by improving network connectivity, commercial internet services, and enterprise IT operational support. In parallel, it supports the integration of service delivery capabilities into the IT portfolio, including centralized web governance under OCIO leadership, remediation of compliance gaps across external websites, and modernization of customer support through a unified, Department-wide call center technology stack. These efforts are supported by expanded contractor capacity to accelerate implementation and improve service delivery, as well as replacement of HUD's Voice of the Customer platform to reduce costs and strengthen performance measurement.

IT Security Services (\$52.6 million)

The Budget would provide continued funding for HUD's risk-based cybersecurity program that is required for compliance with the Federal Information Security Modernization Act (FISMA). The Budget will enhance HUD's ability to continuously monitor users, devices, and applications both inside and outside of the network perimeter. Additionally, this would allow HUD to continue using tools and services to improve real-time monitoring, vulnerability management, and incident response capabilities, which will no longer be supported by the Department of Homeland Security in 2027. Modern cyber attackers leverage the most advanced capabilities available and constantly evolve their tactics. To meet this threat, and prevent a security breach, HUD requires funding for a robust Cyber Security Operations capability. This funding would support ongoing 24/7 security monitoring and analysis. Additionally, many of the activities that support HUD's programs are performed by third parties such as Public Housing Authorities, lenders, property owners, or States that must interface with HUD's systems. When those third parties' systems are compromised, it also puts HUD's systems at risk. As HUD moves to collect additional data from recipients and sub-recipients, including directly from their systems, proactive security measures minimize the risk to HUD operations from threats.

Finally, HUD will continue to centralize and automate its information technology Governance, Risk, and Compliance (GRC) activities. This funding will help ensure that risk-based security controls are implemented and monitored on High Value Assets (HVA) designated under OMB M 19-03, and that legacy systems are prioritized for decommissioning or modernization when they cannot be secured. It supports activities that will improve cybersecurity in supply chains by continuing to streamline policies and procedures and conduct vendor risk assessments. It also supports security awareness training, role-based training, conducting phishing exercises, and incident response and contingency planning tabletop exercises. The funding for the GRC program's ongoing activities allows HUD to continuously align its cyber security activities to mission objectives and holistically reduce risk.

Department-wide Information Technology and Cybersecurity Investments

The 2027 Budget reflects \$446.24 million in new discretionary budget authority for information technology spending at HUD. In addition to the \$361 million for the Information Technology Fund account, the 2027 discretionary total includes \$60.5 million in the Administrative Support Offices account and \$24.7 million in the Office of the Inspector General account.¹ The Budget also estimates approximately \$223 million mandatory funding for the information technology activities of Ginnie Mae.

HUD's Department-wide discretionary budget for cybersecurity activities is \$57.6 million. That amount includes \$52.6 million in the Information Technology Fund account and \$5 million in the Office of the Inspector General account. The Budget also estimates approximately \$131.3 million in mandatory funding for Ginnie Mae's cybersecurity activities.

Table 2 provides a breakdown of the IT Fund's \$52.6 million in cybersecurity activities by National Institute of Standards and Technology (NIST) framework/capability.

¹ The Budget assumes an additional \$30 million in discretionary IT spending in FY 2027 from carryover across the Department.

Table 2: Cybersecurity Costs in the IT Fund Account
(Dollars in Millions)

NIST Framework/Capability	2027 President's Budget
Govern	5.1
Identify	0.7
Protect	22.9
Detect	23.7
Respond	0.3
Recover	0.0
M-22-16	0.0
Sector Risk Management	0.0
Total	52.6

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

The 2027 President’s Budget includes the following general provision:

- Information Technology Transfer Authority: This provision allows for the transfer and merger of up to \$10 million in S&E funds to the Information Technology Fund. (Sec. 220)

APPROPRIATIONS LANGUAGE

The 2027 President’s Budget includes the appropriations language listed below.

For Department-wide and program-specific information technology systems and infrastructure, \$361,000,000, to remain available until September 30, 2029: Provided, That unobligated balances, including recaptures and carryover, remaining from amounts made available under this heading in this Act or prior Acts (including amounts previously transferred to this heading) may be used for any purpose under this heading in this Act, notwithstanding the purposes for which such funds were appropriated.

APPENDIX

Investment Type Definition

- Major IT investments are those that are critical to the missions of the Agency, requiring special management attention and with executive visibility, or that meet certain dollar thresholds.
- Non-major investments do not meet the criteria of a Major or Standard investment and typically provide support to the offices that in turn provide program or administrative support to the mission of the Agency.
- Standard IT investment classifications are used by all Federal Agencies to account for their IT infrastructure costs, cybersecurity, and management costs. They are OCIO managed enterprise-wide investments that provide IT services to the Agency’s mission delivery applications.
- E-Government (eGov) is a group of OMB-led initiatives to help transform Federal Agencies through eCommerce.

Investment	Investment Type	Definition
Enterprise Grants Management	Major	This investment provides Shared Services and information systems to automate the grants management lifecycle (pre-award, award, post award stages) for formula and competitive programs across HUD.
Financial Management Technology Support	Major	Provides support for HUD’s financial management systems, including their interfaces with the core financial system that is a shared service provided by the Treasury.
Multifamily Housing and Healthcare Facilities	Major	This investment delivers systems to support programs that provide mortgage insurance to multifamily housing and health care facilities and project based rental assistance. It includes services such as financial operations, asset management, and moving existing loan origination systems to modern technology platforms.
Public and Assisted Housing Oversight	Major	This investment provides systems that ensure the public and HUD assisted housing comply with applicable laws and regulations. It provides accurate, credible, and reliable information to assess the condition and financial management of HUD supported properties and ultimately improve the Nation's stock of affordable housing. HUD is modernizing outdated systems and automating manual processes used in providing this essential mission function.
Single Family Housing	Major	This investment captures all the systems that support FHA’s Single Family programs including mortgage insurance on loans to purchase new or existing homes, condominiums, manufactured housing, houses needing rehabilitation, and reverse equity mortgages to elderly homeowners. HUD is carrying out a multi-year investment called FHA Catalyst that began in 2019 to modernize FHA's infrastructure and to provide cloud-based platforms to reduce costs, risks, and fraud, and bring FHA in line with current industry practices. The modernization approach is flexible with an agile approach and

INFORMATION TECHNOLOGY FUND

		includes a single portal for lenders to interact with FHA for the full loan life cycle. Loan components are already in production, providing rapid turnaround and efficiencies to the agency and to the lender community.
Administrative Services	Non-Major	Enables HUD to control, manage and report on its facilities, property, and assets. Enables HUD to perform the back-office activities that support the execution of its mission-critical business operations.
Communications Support	Non-Major	This primarily comprises HUD websites as well as customer management tools. It enables HUD to exchange information with other government entities, citizens, stakeholders, and customers to deliver citizen services, implement public policy and serve customers more effectively.
Contact Center	Non-Major	This investment improves interactions between HUD and its customers, starting with FHA activities. It results from a partnership with GSA Centers of Excellence to accelerate HUD's IT modernization initiatives.
Data Management Services	Non-Major	This includes data exchange, storage, extraction, and transformation, recovery, and classification of data. HUD is developing an Enterprise Analytics Platform to integrate sources of data to support business decisions, reporting, data analytics and risk mitigation.
Document Management	Non-Major	Enables HUD to support the generation, management, and distribution of intellectual capital and electronic media across the business and extended enterprise. This includes content management, document management, and records management.
Geospatial Services	Non-Major	Provides automated capabilities that support visualization services, analysis, knowledge discovery, and business intelligence for optimal decision-making and evaluation.
Human Resources Services	Non-Major	Includes information systems that perform a variety of HR business functions. The vision is to automate, integrate or replace legacy systems to move towards solutions of a one stop shop for all HR Services.
Legal Oversight	Non-Major	Enables HUD to maintain guidance to implement laws; developing and tracking, and amendments to public laws.
Regulatory Enforcement	Non-Major	Enables HUD the ability to track, monitor, and report on enforcement activities which involve activities aimed at direct monitoring and oversight of HUD sponsored programs.
Application	Standard	IT investment for the provisioning of an enterprise-wide shared application capability.
Data Center and Cloud	Standard	An IT investment for the provisioning of an enterprise-wide data center and/or cloud capability.
End User	Standard	An IT investment for the provisioning of an enterprise-wide capability for assets and related support for such items as laptops, mobile devices, software licenses, and other end user assets.
IT Management	Standard	This investment ensures that all technology and associated employee resources are utilized properly and in a manner that provides value for the organization and are managed according to Departmental priorities and needs.

INFORMATION TECHNOLOGY FUND

IT Security Services	Standard	Enables HUD to properly orchestrate the IT resources and systems it requires to effectively provide its services and execute its mission.
Network	Standard	An IT investment for the provisioning of an enterprise-wide area network (WAN), local area network (LAN), and metropolitan-area network (MAN) capabilities.
Disaster Assistance Improvement Plan	eGov	This is a Government-wide eGov initiative. The managing partner is FEMA.
eRulemaking Docket	eGov	This is a Government-wide eGov initiative. The managing partner for this initiative is the Environmental Protection Agency.
GovBenefits.gov	eGov	This is a Government-wide eGov initiative. The managing partner for this initiative is the Department of Labor.
Grants.gov	eGov	This is a Government-wide eGov initiative. The managing partner for this initiative is the Department of Health and Human Services.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Inspector General

Salaries and Expenses

(Dollars in Thousands)

	2025	2026	2027
	Actuals	Enacted	President's Budget
Personnel Services:	\$112,817	\$107,655	\$100,509
Non-Personnel Services:			
Travel	873	1,182	1,127
Transportation of Things	5	5	5
Rent and Utilities	6,901	6,829	6,487
Printing	8	5	5
Other services/Contracts	17,927	14,620	14,801
Training	391	415	394
Supplies	191	215	204
Furniture and Equipment	8,129	7,783	8,818
Claims and Indemnities	-	250	200
Total, Non-Personnel Services	\$34,425	\$31,304	\$32,041
Financial Audit	5,184	5,541	5,450
Grand Total	\$152,426	\$144,500	\$138,000
FTEs	493	460	430
Onboard End of Year	444	470	400

PROGRAM PURPOSE

The Office of Inspector General (OIG) for the U.S. Department of Housing and Urban Development (HUD or Department), is an independent office conducting and supervising audits, evaluations, investigations, and reviews related to the Department's programs and operations. The OIG promotes economy, efficiency, and effectiveness in these programs and operations while also preventing and detecting fraud, waste, and abuse. As an organization, the OIG is committed to keeping the HUD Secretary, Congress, and stakeholders fully and currently informed about problems and deficiencies within the Department and the necessity and progress for corrective action. Beyond ensuring proper stewardship of federal funds, through timely and influential oversight, the OIG protects HUD's beneficiaries and ensures that HUD's critical programs are efficiently and effectively administered to communities and populations in need.

The work of the OIG is important to the Department's ability to achieve its strategic goals, as OIG oversight provides an independent perspective on how HUD's management challenges affect the Department. The OIG aligns its staff and work to efficiently deploy its resources to provide comprehensive oversight over HUD's major operations and address the issues and concerns most critical to the Department. In addition, the OIG ensures that it is a model steward of taxpayer resources by enhancing its own operational efficiency and effectiveness through innovative solutions and leveraging data, technology, and insights from its dedicated workforce.

BUDGET OVERVIEW

The 2027 President's Budget requests \$138 million for the Office of Inspector General, which is \$6.5 million less than the 2026 enacted funding level.

The Budget seeks the resources necessary for the OIG to continue delivering the impactful investigations, audits, evaluations, and reviews that executive branch and congressional

stakeholders require. The OIG's oversight will continue to support the advancement and improvement of departmental operations in alignment with Administration and Congressional goals of effective and proficient delivery of HUD programs. The Budget would also provide necessary support for statutorily mandated oversight, notably audits of HUD's financial statements required by the Chief Financial Officers Act of 1990 and its compliance with the Payment Integrity Information Act of 2019 (PIIA), as well as evaluation of HUD's information security program under the Federal Information Security Modernization Act of 2014 (FISMA).

The Budget represents a 4.5 percent decrease from the 2026 enacted funding level. Through data-driven scalable strategies focused on HUD's most significant operational challenges, the OIG will prioritize resources to support the personnel and tools necessary to produce actionable information that increases the efficiency and effectiveness of HUD programs, while addressing crime, waste, fraud, abuse, and mismanagement.

Inspector General Act Budget Requirements

In accordance with the requirements of the Inspector General Act of 1978 (IG Act), as amended, the OIG includes the following details:

- OIG's 2027 budget request is for \$138 million in support of an estimated 430 full-time equivalent (FTE) positions with an additional 10 FTEs (not reflected in the table above) supported using supplemental funding for disaster oversight;
- Of the \$138 million, \$394 thousand would support external training costs, \$21 thousand less than the 2026 enacted funding level; and
- The OIG's 2027 President's Budget is not allocating any funding in support of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), which is unchanged from the 2026 enacted funding level.

Personnel Services

The Budget assumes total funding of \$100.5 million for personnel services (PS) to support 430 full-time equivalent (FTE) positions, which is \$7.1 million below the total 2026 PS funding level. The 2027 PS funding level supports annualization of the 2026 cost-of-living adjustment, a reduction to agency FERS contribution rates, and benefit cost inflation. The 2027 Budget maintains the minimal level of FTEs necessary to keep the scope and scale of the OIG's mission stable while maintaining capacity to evolve with changes to HUD programs. The 2027 FTE level will allow for continuation of impactful investigations, audits, evaluations, and reviews needed to protect and improve HUD's programs. The PS funding level would also provide necessary support for statutorily mandated oversight.

The decrease of \$7.1 million below the 2026 enacted funding level includes:

- \$6.8 million reduction in overall PS requirements due to reduced staffing levels achieved through natural attrition with limited backfilling in mission critical positions;
- \$613 thousand increase in inflationary requirements related to compensation and benefits, including annualization of 2026 COLA (\$170 thousand), and 2026 benefit cost inflation (\$443 thousand);
- \$427 thousand reduction in benefit costs related to the reduction in FERS agency contribution rate;

- \$879 thousand decrease in other PS requirements related to decreased Worker’s Compensation requirements (\$254 thousand), post-DRP reduced lump sum leave pay outs (\$590 thousand) to employees, reductions to cash award pools (\$29 thousand) due to a projected lower staffing base, and other miscellaneous adjustments (\$6 thousand); and
- \$372 thousand increase in overall PS requirements due to expected reduction in utilization of reimbursable agreements with other Federal Agencies.

2027 Personnel Services Summary of Changes

(in dollars)

Scenario	2026 PS Obligations (including reimbursable)	2026 COLA Annualization	2027 Benefit Cost Inflation	FERS Adjustment (-0.5%)	2027 FTE Change	Other PS Adjustments (works comp, PLI, etc.)	Reimbursable Adjustment	2027 Total PS Requirements
2027 PB	107,654,889	169,770	443,478	(427,459)	(6,825,009)	(878,608)	372,431	100,509,492

FY 2026 Enacted FTE	FY 2027 President's Budget FTE
460	430

OIG FTE from Other Funding Sources

Appropriation Type	2025 FTE	2026 FTE	2027 FTE
All Disaster Supplemental Funding	5.3	5.0	10.0

The OIG continues to regularly assess where and how staffing assets are utilized within the overall oversight mission of the organization. Throughout the organization, the OIG continues to identify and implement areas where both mission and support components can reduce management layers, optimize staffing ratios, and realign personnel to ensure a focus on pressing oversight needs necessary to address HUD programmatic deficiencies. Combining and streamlining the Office of Audit and Office of Evaluation has aligned the OIG’s mission and created the organizational efficiencies projected at the time of the reorganization assessment. In terms of personnel management, the OIG continues to assess and measure employees’ performance under a new five tier system to ensure that its workforce is conducting timely and relevant oversight of HUD’s programs and operations and delivering high-quality services to the American people. Additionally, the OIG is reviewing opportunities to implement new organizational support and work management processes while integrating new technologies to enhance productivity and accountability in mission support components.

The OIG will continue to utilize supplemental appropriations to support oversight and programmatic assessments of HUD’s disaster recovery portfolio. The OIG expects to dedicate 10 FTEs to this purpose in FY 2027. The work conducted by the OIG’s disaster oversight groups helps improve grantee effectiveness, mitigate potential improper payments, and ensure that HUD’s disaster recovery programs are performing at the level expected by Administration and Congressional stakeholders.

While the 2027 Budget would not maintain 2026 enacted FTE levels, it would continue to support a practicable level of staffing necessary to conduct core mission functions. During 2026 and extending into 2027, the OIG plans to prioritize onboarding law enforcement personnel and individuals with specialized skill sets that support the law enforcement function, whenever feasible. As natural attrition or personnel reductions occur, the OIG will strategically allocate staffing resources to the

areas of highest need that address the Top Management Challenges facing the Department or areas identified as pressing oversight risk for external stakeholders.

The OIG is constantly seeking new and dynamic approaches to conduct its mission and serve the American people. As partners on the D.C. Safe and Beautiful Task Force, Memphis Safe Task Force, and Operation Clean House the organization is positioning resources to take advantage of impactful opportunities to carry out the OIG's anti-fraud and public safety mission. Investigative and audit personnel are now participating actively in these expanding engagements to root out criminals in public housing and those individuals who, through fraudulent practices, compromise benefits meant for deserving beneficiaries.

Recognizing the fiscal realities of the current budgetary environment, the OIG is working to maximize the return from every appropriated dollar. The new investment in Artificial Intelligence (AI) capabilities proposed in the OIG's 2027 Budget will act as a force multiplier supplementing current staffing level with new technology that increases the efficiency with which the OIG can identify and act on fraud, parse extensive data sets to determine how best to apply oversight, and decrease staffing resources necessary to complete mission-adjacent administrative tasks.

Overall, the OIG's 2027 budget request is a fusion of the talent, experience, and expertise of OIG personnel with a generational leap in technology to produce better oversight at a lower cost to the American people.

Non-Personnel Services

The Budget assumes total funding of \$37.5 million for non-personnel services (NPS), including consolidated financial audit requirements, which is \$645 thousand above the total 2026 NPS level. Total NPS requirements represent the funding level necessary to maintain all operational requirements with investment in AI capabilities to support the OIG's mission into the future.

2027 Non-Personnel Requirements			
Non-Personnel Spending Category	Adjustments to Base	New Investment / New FTE	Total Change
Travel	(54,966)	-	(54,966)
Transportation of Things	(322)	-	(322)
Rent and Utilities	(341,865)	-	(341,865)
Printing	-	-	-
Other Services/Contracts*	89,285	-	89,285
Training	(21,246)	-	(21,246)
Supplies	(11,007)	-	(11,007)
Furniture and Equipment	(1,019,483)	2,055,000	1,035,517
Claims and Indemnities	(50,000)	-	(50,000)
Total	(1,409,604)	2,055,000	645,396

* Includes consolidated financial audit contract

- Other Services/Contracts: \$89 thousand
 - Overall adjustments to base represent an \$89 thousand increase from the 2026 enacted funding level to the 2027 Budget. Changes to the OIG's shared service arrangements (- \$1 million) and other cross-organizational support costs (+\$1.1 million) are the primary drivers of adjustments in this category.

The OIG is in the process of transitioning away from the Bureau of Fiscal Service (BFS) for both human capital and procurement shared services. The OIG plans to internalize the human capital services previously provided by BFS and transition procurement services to the General Services Administration (GSA) for acquisition needs going forward. This represents savings of \$1 million compared to current BFS requirements. The OIG believes that continuing the shared service model for procurement provides time and cost efficiencies that cannot be replicated with an in-house acquisition model.

Other contractual adjustments are predominantly related to IT business operations, including OIG's primary IT personnel support contract (providing network operations, cybersecurity, and helpdesk expertise), Microsoft licensing costs, and other mixed adjustments related to small IT contracts. In aggregate these represent a \$1.2 million increase. Various other organizational support requirements including the consolidated financial statement audit are decreasing by \$127 thousand.

- Furniture and Equipment: \$1.0 million
 - Total requirements for this spending category represent a net increase of \$1 million over the 2026 enacted funding level, including adjustments to base and new investment. IT related adjustments to base represent cost and utilization adjustments but are primarily driven by the elimination of some current IT requirements to support investment in new emerging technologies. In total these changes aggregate to a \$1 million decrease from 2026 enacted funding levels. Non-IT adjustments to base represent a -\$19 thousand change based on reduced requirements associated with a lower staffing base, offset against minimal increases in space and facilities spending.

Additionally, the OIG plans to undertake new investment in this spending category to support the infrastructure, hardware, and software (+\$2.1 million) necessary to support the utilization of AI to enhance the OIG's mission capabilities. Currently, the OIG's IT infrastructure lacks the specialized computing power necessary to effectively employ AI technology at the enterprise level. The requested investment will provide the necessary infrastructure and allow for initial purchases of AI software to implement and integrate AI capabilities into mission operations. Additional details on this investment are outlined in the Information Technology section of this document.
- Travel: -\$55 thousand
 - The OIG projects reduced year-over-year travel requirements based on lower staffing levels. The ability to support personnel travel and ensure a nationwide law enforcement presence is critical to the successful operation of the organization.
- Rent and Utilities: -\$342 thousand
 - The OIG continues to seek efficiencies and to strategically align its real estate portfolio with oversight priorities while maintaining a geographic footprint that supports critical mission requirements. Decreasing requirements in this spending category are almost entirely derived from savings related to the relocation of HUD's headquarters. The OIG will be occupying less square footage at the Eisenhower building and expects to save approximately \$465 thousand in rent. This cost reduction is partially offset against inflationary increases in other GSA leases for OIG field operations.
- Training: -\$21 thousand
 - The OIG projects reduced year-over-year training requirements based on lower staffing levels. The OIG is prioritizing training that furthers organizational expertise in leadership and performance management, skill sets necessary to fully utilize AI, and data literacy to better understand and utilize emerging technologies.

- Supplies: -\$11 thousand
 - The OIG projects reduced year-over-year requirements related to supplies based on lower staffing levels.

Financial Statement Audits

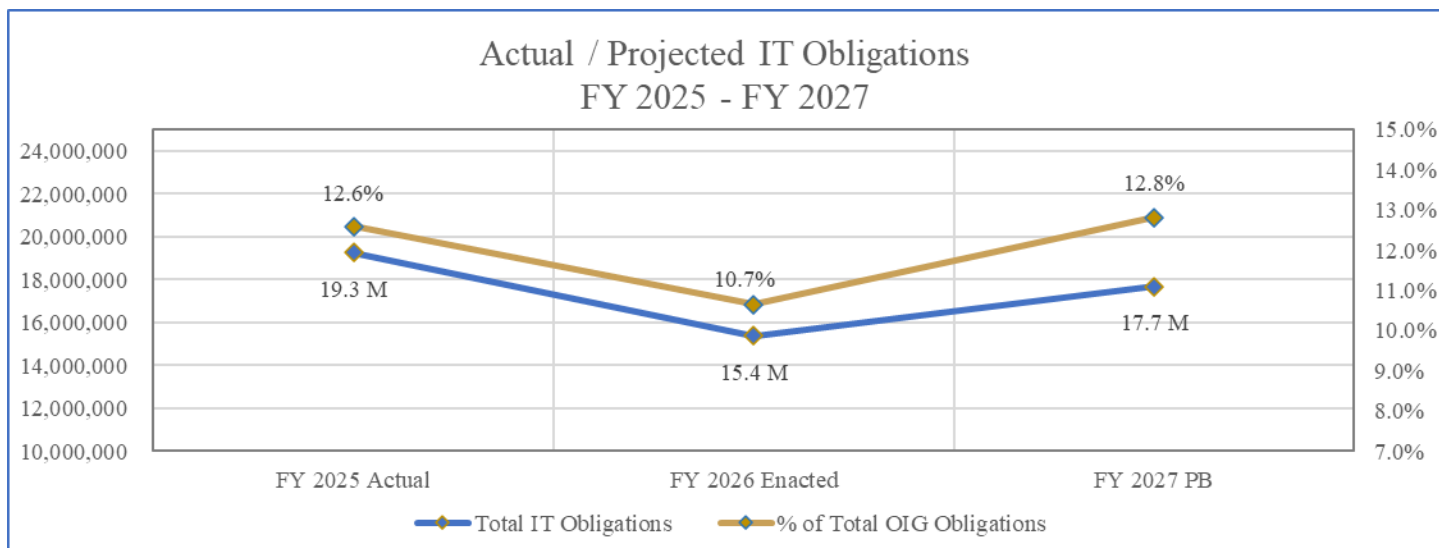
The consolidated financial statement audit contract is a firm fixed price contract providing pricing stability and diminished operational risk to the government. However, the 2026 total cost of \$5.54 million reflects an anomalous one-time cost increase of \$250 thousand triggered by a government caused delay, due to the lapse in appropriation in the first quarter of 2026. The standard inflationary adjustment for the 2027 option period is \$159 thousand. Elimination of the one-time 2026 cost offset against the 2027 inflationary adjustment result in a net decrease in the financial audit contract of -\$91 thousand for 2027.

Information Technology

The OIG's 2027 budget supports all necessary adjustments to base associated with the OIG's current IT services and continued backing for mandated cyber security infrastructure. The total OIG IT requirements include the necessary costs of business operations services, cybersecurity related assets and services, Microsoft licensing costs, electronic audit and investigation case management systems, network connectivity requirements, cellular equipment and services, long-term backup data storage, along with other services and equipment that are part of normal operations and maintenance activities that are necessary for the OIG's statutorily required oversight.

In addition to supporting current services requirements necessary for ongoing mission operations the OIG is also proposing new investments that will support the infrastructure necessary to deploy AI at an enterprise level across the OIG. AI has the potential to transform how the OIG deploys mission resources to increase the effectiveness and efficiency of mission operations. Utilizing AI to identify fraudulent activities, target possible public corruption, and parse enormous amounts of data to better scope and identify oversight opportunities will be a generational leap forward in the way the OIG conducts its mission.

The OIG's request for investment in both the infrastructure and tools necessary to deploy AI to mission personnel is in line with the 2025 Executive Order 14179: Removing Barriers to American Leadership in Artificial Intelligence, OMB Memoranda M-25-21, and M-25-22. The funding identified in this request will accelerate organizational AI adoption ensuring the OIG is in line with executive orders and meeting the expectations of external stakeholders across government to remain good stewards while implementing new and emerging technologies.



Overall, the OIG is requesting \$2.1 million in 2027 for new investments to overcome critical entry barriers to responsible AI adoption. The requested funds will support the acquisition of secure AI infrastructure, GPU-enabled computing environments, and compliant software platforms necessary to modernize audit and investigative functions in alignment with recent directives and executive orders.

AI adoption within HUD OIG is impeded by three high-cost entry barriers:

- **Secure Infrastructure & Compute (GPUs):** Modern AI tools require specialized environments, including GPU-enabled compute, secure storage, and containerized workloads. These capabilities are not readily available within the OIG’s current environments and require upfront investment to meet federal security and audit logging requirements.
- **Compliant Software Licensing:** Responsible AI requires vetted tools with transparency, red-teaming capability, and bias mitigation, all of which carry substantial licensing costs. In addition, recent executive orders now require HUD OIG to procure only from certified neutral vendors, further limiting market options and raising costs.
- **Governance & Integration:** The Cybersecurity and Infrastructure Security Agency (CISA) AI data security mandates and OMB M-25-22 impose additional configuration, auditability, and compliance layers. To build this into early-stage AI use cases such as fraud risk scoring or audit triage, baseline infrastructure and security controls must be in place.

Specifically, the investment called for in this request will allow the OIG to:

- Launch small-scale AI pilots for audit, hotline intake, and case prioritization;
- Procure FedRAMP-authorized AI platforms and model governance tools; and
- Deploy secure, GPU-enabled environments to evaluate AI applications without compromising data integrity or regulatory compliance.

The investment is a critical first step in closing the access gap and enabling trustworthy, mission aligned AI oversight and will also satisfy initial requirements under EO 14179, EO 14215, and CISA’s May 2025 AI guidance, positioning HUD OIG to scale AI responsibly and efficiently.

KEY OPERATIONAL INITIATIVES

OIG Oversight

With a transforming workforce within HUD, OIG's dedicated mission defeating crime, waste, fraud, abuse, mismanagement, and violations of law is more critical now than ever. HUD's programs are large, complex, and affect every community in America. HUD programs provide hundreds of billions of dollars in grant funding, as well as trillions of dollars in mortgage insurance and mortgage-backed securities. HUD oversees a vast network of participants that administer its programs, including public housing authorities, landlords, non-profit organizations, State and local governments, and mortgage lenders and servicers.

Positive Impacts

Beyond addressing top management challenges—such as business operations, IT, fraud prevention, grant management, and housing quality—OIG's efforts yield significant benefits across HUD programs. Notably, OIG contributes to interagency crime reduction task forces in Washington, D.C. and Memphis, supporting investigations and audits to enforce compliance and improve safety.

OIG's priority open recommendations report, issued April 2025, highlighted 31 critical recommendations for strengthening HUD operations, reducing fraud, and improving health, safety, and IT modernization. Eight recommendations were closed by year-end, reflecting tangible progress.

Risk-Based Oversight at All Program Levels

OIG uses risk-based planning to address root causes of HUD's management challenges. Oversight is conducted at enterprise, program, and participant levels, producing actionable, pragmatic recommendations for HUD improvement.

IT and Data Literacy Investments

OIG invests in IT and data literacy to enhance oversight, providing auditors and investigators with access to critical datasets and advanced analytics. These efforts improve identification of high-risk grantees and support focused oversight. Financial risk indicators are applied to major HUD portfolios, generating targeted insights. OIG plans to further leverage AI in this manner for increased efficiency and impact. Other technology investments have enhanced hotline data integration and risk targeting, linking reports across HUD programs to surface emerging risks and weaknesses.

Investigative Excellence

OIG special agents manage complex investigations and partnerships, triaging over 28,000 hotline complaints in FY 2025. Investigative resources are prioritized for cases with the greatest impact, including public corruption, health hazards, sexual misconduct, and mortgage fraud. OIG evaluates cases based on financial loss, subject position, corruption, victim vulnerability, coordinated fraud, and program weaknesses, delivering comprehensive investigations that protect HUD's portfolio.

Recent investigations have focused on misuse of HUD funding by state and local officials and housing authority employees, especially in rental assistance programs. These efforts safeguard resources for low-income renters. OIG also targets fraud and health hazards by housing providers,

investigating issues such as improper lead paint disclosures, false certifications on repairs, and financial exploitation of vulnerable populations.

Improper Payments

HUD continues to face challenges in identifying and preventing improper payments, particularly in HUD's largest rental assistance programs. OIG audits estimate annual improper payments in HUD's two largest rental assistance programs as well as identifies improper payments in other programs. Further, audits evaluate financial management of program participants such as Public Housing Authorities to improve financial management and accountability.

Multifamily and Public Housing Agency Management of Lead Hazards and Unit Conditions

OIG audits focus on management of lead-based paint and unit conditions in public housing and Section 8 programs, evaluating the adequacy of (1) lead disclosures, (2) risk assessments, (3) mitigation, and (4) maintenance. Efforts also include reviews of physical conditions of units and blood lead level tracking in HUD-assisted properties.

Fraud Risk Management

HUD's fraud risk management is still maturing. OIG continues to assess fraud risks in HUD programs and evaluates critical program participants (PHAs and grantees) for systemic weaknesses and promote the development of robust antifraud frameworks to reduce the underlying fraud risks and mitigate bad actors exploiting HUD programs.

Counterparty Risk in Mortgage Programs

OIG evaluates the oversight of mortgage program participants—underwriters, servicers, appraisers, and loan officers—to minimize risks to HUD's insurance funds. Audits include assessment of loan originations, originators' quality control programs and early payment default reviews.

Modernizing IT Systems

OIG oversight supports the modernization of HUD's legacy IT systems to enable secure data management and efficient program administration. Key initiatives include audits of critical information systems used to carry-out HUD's programs, evaluations of HUD's modernization efforts, as well as information security program evaluations and penetration testing.

Operational Improvements

OIG has consolidated its Audit and Evaluation offices for greater efficiency, unifying oversight planning and execution, reducing management layers, and eliminating duplication. This restructuring, approved by the Congress in 2025, streamlines processes and strengthens oversight.

Improving Coordination Over OIG Recommendation Closure

OIG and HUD have collaborated since 2019 to close thousands of outstanding recommendations, improving transparency and effectiveness. Enhanced processes ensure appropriate corrective actions and measurable program improvements.

Other Benefits Tracking

OIG tracks non-monetary benefits from closed recommendations, including improved guidance, process improvements, program effectiveness, and reporting accuracy. In 2025, 278 such actions were identified, demonstrating systemic improvements in the administration of HUD's programs resulting in improved program integrity and stronger safeguarding of taxpayer funds.

APPROPRIATIONS LANGUAGE

The 2027 President's Budget includes the appropriations language listed below.

For necessary salaries and expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$138,000,000: Provided, That the Inspector General shall have independent authority over all personnel and acquisition issues within this office.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FISCAL YEAR 2027 GENERAL PROVISIONS
(INCLUDING TRANSFER OF FUNDS)
(INCLUDING CANCELLATIONS)

This document summarizes the General Provisions (GPs) in the FY 2027 President's Budget.

SEC. 201. COMPETITION IN ACCORDANCE WITH HUD REFORM ACT.—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: This provision requires that HUD funds be subject to competition unless specified otherwise in statute.

SEC. 202. HUD CORPORATION SERVICES.—Section 7 of the Department of Housing and Urban Development Act (42 U.S.C. 3535) is amended by adding at the end the following new subsection: "(u) 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: This provision makes permanent that certain limitations on administrative expenses are 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 nonadministrative expenses.

SEC. 203. HUD CORPORATION EXPENDITURES.—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 2027 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: 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. 204. TRANSFERS OF ASSISTANCE, DEBT, AND USE RESTRICTIONS.—

(a) Notwithstanding any other provision of law, subject to the conditions listed under this section, for fiscal years 2027 and 2028, the Secretary of Housing and Urban Development may authorize the transfer of some or all project-based assistance, debt held or insured by the Secretary and statutorily required low-income and very low-income use restrictions if any, associated with one or more multifamily housing project or projects to another multifamily housing project or projects.

(b) PHASED TRANSFERS. Transfers of project-based assistance under this section may be done in phases to accommodate the financing and other requirements related to rehabilitating or constructing the project or projects to which the assistance is transferred, to ensure that such project or projects meet the standards under subsection (c).

(c) The transfer authorized in subsection (a) is subject to the following conditions:

(1) NUMBER AND BEDROOM SIZE OF UNITS. The Secretary may authorize a reduction in the number of dwelling units in the receiving project or projects to allow for a reconfiguration of bedroom sizes to meet current market demands, as determined by the Secretary and provided there is no increase in the project-based assistance budget authority.

(2) The transferring project shall, as determined by the Secretary, be either physically obsolete or economically nonviable, or be reasonably expected to become economically nonviable when complying with State or Federal requirements for community integration and reduced concentration of individuals with disabilities.

(3) The receiving project or projects shall meet or exceed applicable physical standards established by the Secretary.

(4) The owner or mortgagor of the transferring project shall notify and consult with the tenants residing in the transferring project and provide a certification of approval by all appropriate local governmental officials.

(5) The tenants of the transferring project who remain eligible for assistance to be provided by the receiving project or projects shall not be required to vacate their units in the transferring project or projects until new units in the receiving project are available for occupancy.

(6) The Secretary determines that this transfer is in the best interest of the tenants.

(7) If either the transferring project or the receiving project or projects meets the condition specified in subsection (d)(2)(A), any lien on the receiving project resulting from additional financing obtained by the owner shall be subordinate to any FHA-insured mortgage lien transferred to, or placed on, such project by the Secretary, except that the Secretary may waive this requirement upon determination that such a waiver is necessary to facilitate the financing of acquisition, construction, and/or rehabilitation of the receiving project or projects.

(8) *If the transferring project meets the requirements of subsection (d)(2), the owner or mortgagor of the receiving project or projects shall execute and record either a continuation of the existing use agreement or a new use agreement for the project where, in either case, any use restrictions in such agreement are of no lesser duration than the existing use restrictions.*

(9) *The transfer does not increase the cost (as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C.661a)) of any FHA-insured mortgage, except to the extent that appropriations are provided in advance for the amount of any such increased cost.*

(d) *For purposes of this section:*

(1) *the terms "low-income" and "very low-income" shall have the meanings provided by the statute and/or regulations governing the program under which the project is insured or assisted;*

(2) *the term "multifamily housing project" means housing that meets one of the following conditions:*

(A) *housing that is subject to a mortgage insured under the National Housing Act;*

(B) *housing that has project-based assistance attached to the structure including projects undergoing mark to market debt restructuring under the Multifamily Assisted Housing Reform and Affordability Housing Act;*

(C) *housing that is assisted under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q);*

(D) *housing that is assisted under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), as such section existed before the enactment of the Cranston-Gonzalez National Affordable Housing Act;*

(E) *housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013); or*

(F) *housing or vacant land that is subject to a use agreement;*

(3) *the term "project-based assistance" means:*

(A) *assistance provided under section 8(b) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b));*

(B) *assistance for housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of such Act (as such section existed immediately before October 1, 1983);*

(C) *assistance payments made under section 202(c)(2) of the Housing Act of 1959 (12 U.S.C. 1701q(c)(2)); and*

(D) *assistance payments made under section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(d)(2));*

(4) *the term "receiving project or projects" means the multifamily housing project or projects to which some or all of the project-based assistance, debt, and statutorily required low-income and very low-income use restrictions are to be transferred;*

(5) *the term "transferring project" means the multifamily housing project which is transferring some or all of the project-based assistance, debt, and the statutorily required low-income and very low-income use restrictions to the receiving project or projects; and*

(6) *the term "Secretary" means the Secretary of Housing and Urban Development.*

Explanation of this Section: This provision allows the Secretary to authorize the transfer of some or all project-based assistance, debt held or insured by the Secretary, and statutorily required low-income and very low-income use restrictions, if any, associated with one or more obsolete multifamily housing project(s) to a viable multifamily housing project.

SEC. 205. ASSISTANCE FOR STUDENTS AT INSTITUTIONS OF HIGHER EDUCATION.—*No assistance shall be provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) to any individual who—*

(1) is enrolled as a student at an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002));

(2) is under 24 years of age;

(3) is not a veteran;

(4) is unmarried;

(5) does not have a dependent child;

(6) is not a person with disabilities, as such term is defined in section 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(E)) and was not receiving assistance under such section 8 as of November 30, 2005;

(7) is not a youth who left foster care at age 14 or older and is at risk of becoming homeless; and

(8) is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible, to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

Explanation of this Section: This provision clarifies the eligibility for assistance under section 8 of the United States Housing Act of 1937.

SEC. 206. MANAGEMENT AND DISPOSITION OF CERTAIN MULTIFAMILY PROJECTS.—*Notwithstanding any other provision of law, in fiscal year 2027, in managing and disposing of any multifamily property that is owned or has a mortgage held by the Secretary of Housing and Urban Development, and during the process of foreclosure on any property with a contract for rental assistance payments under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) or any other Federal programs, the Secretary shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937 and other programs that are attached to any dwelling units in the property. To the extent the Secretary determines, in consultation with the tenants and the local government that such a multifamily property owned or having a mortgage held by the Secretary is not feasible for continued rental assistance payments under such section 8 or other programs, based on consideration of (1) the costs of rehabilitating and operating the property and all available Federal, State, and local resources, including rent adjustments under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (in this section MAHRAA) (42 U.S.C. 1437f note), and (2) environmental conditions that cannot be remedied in a cost-effective fashion, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties, or provide other rental assistance. The Secretary shall also take appropriate steps to ensure that project-based contracts remain in*

GENERAL PROVISIONS

effect prior to foreclosure, subject to the exercise of contractual abatement remedies to assist relocation of tenants for imminent major threats to health and safety after written notice to and informed consent of the affected tenants and use of other available remedies, such as partial abatements or receivership. After disposition of any multifamily property described in this section, the contract and allowable rent levels on such properties shall be subject to the requirements under section 524 of MAHRAA.

Explanation of this Section: This provision governs the use of project-based subsidy in connection with managing and disposing of multifamily properties.

SEC. 207. SMALL PHA ASSET MANAGEMENT EXEMPTIONS.— Public housing agencies that own and operate 400 or fewer public housing units may elect to be exempt from any asset management requirement imposed by the Secretary in connection with the operating fund rule: Provided, That an agency seeking a discontinuance of a reduction of subsidy under the operating fund formula shall not be exempt from asset management requirements.

Explanation of this Section: This provision permits small PHAs with 400 or fewer units to elect not to operate under asset management.

SEC. 208. ASSET MANAGEMENT REQUIREMENTS FOR CAPITAL FUNDS.—With respect to the use of amounts provided in this Act and in future Acts for the operation, capital improvement, and management of public housing as authorized by sections 9(d) and 9(e) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d), (e)), the Secretary shall not impose any requirement or guideline relating to asset management that restricts or limits in any way the use of capital funds for central office costs pursuant to paragraph (1) or (2) of section 9(g) of the United States Housing Act of 1937 (42 U.S.C. 1437g(g)(1), (2)): Provided, That a public housing agency may not use capital funds authorized under section 9(d) for activities that are eligible under section 9(e) for assistance with amounts from the operating fund in excess of the amounts permitted under paragraph (1) or (2) of section 9(g).

Explanation of this Section: This provision prohibits the Department from imposing requirements or guidelines related to asset management that restrict or limit the use of capital funds for PHAs' central office/overhead costs.

SEC. 209. DESIGNATED ALLOTMENT HOLDERS.—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: This provision requires the OCFO to make sure that allotment holders have an adequate funds control system in place and that

GENERAL PROVISIONS

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. 210. NOFO PUBLICATION.—Section 102(a) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545(a)) is amended by striking "in the Federal Register" each place where it appears and inserting "on the Internet at the appropriate Government website or through other electronic media, as determined by the Secretary,".

Explanation of this Section: This section permanently allows the Department to publish NOFOs and funding awards online instead of in the Federal Register, which generates cost savings while maintaining public access to funding opportunities and award announcements.

SEC. 211. TRANSFER OF FUNDS.—The Secretary may transfer funds appropriated for any office under the headings "Administrative Support Offices" or "Program Offices" 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: 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.

SEC. 212. PHYSICAL CONDITION REQUIREMENTS.—

(a) Any entity receiving housing assistance payments shall maintain decent, safe, and sanitary conditions, as determined by the Secretary, and comply with any standards under applicable State or local laws, rules, ordinances, or regulations relating to the physical condition of any property covered under a housing assistance payment contract.

(b) The Secretary shall take action under subsection (c) when a multifamily housing project with a contract under section 8 of the United States Housing Act of 1937 (42 U.S.C.1437f) or a contract for similar project-based assistance—

(1) receives a failing score under the Uniform Physical Condition Standards (UPCS) or successor standard; or

(2) fails to certify in writing to the Secretary within 3 days that all Exigent Health and Safety deficiencies, or those deficiencies requiring correction within 24 hours, identified by the inspector at the project have been corrected. Such requirements shall apply to insured and noninsured projects with assistance attached to the units under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), but shall not apply to such units assisted under section 8(o)(13) of such Act (42 U.S.C.1437f(o)(13)) or to public housing units assisted with capital or operating funds under section 9 of the United States Housing Act of 1937 (42 U.S.C.1437g).

(c)(1) Within 15 days of the issuance of the Real Estate Assessment Center ("REAC") inspection, the Secretary shall provide the owner with a Notice of Default with a specified timetable, determined by the Secretary, for correcting all deficiencies. The Secretary shall provide a copy of the Notice of Default to the tenants, the local

government, any mortgagees, and any contract administrator. If the owner's appeal results in a passing score, the Secretary may withdraw the Notice of Default.

(2) At the end of the time period for correcting all deficiencies specified in the Notice of Default, if the owner fails to fully correct such deficiencies, the Secretary may

(A) require immediate replacement of project management with a management agent approved by the Secretary;

(B) impose civil money penalties, which shall be used solely for the purpose of supporting safe and sanitary conditions at applicable properties, as designated by the Secretary, with priority given to the tenants of the property affected by the penalty;

(C) abate the section 8 contract, including partial abatement, as determined by the Secretary, until all deficiencies have been corrected;

(D) pursue transfer of the project to an owner, approved by the Secretary under established procedures, who will be obligated to promptly make all required repairs and to accept renewal of the assistance contract if such renewal is offered;

(E) transfer the existing section 8 contract to another project or projects and owner or owners;

(F) pursue exclusionary sanctions, including suspensions or debarments from Federal programs;

(G) seek judicial appointment of a receiver to manage the property and cure all project deficiencies or seek a judicial order of specific performance requiring the owner to cure all project deficiencies;

(H) work with the owner, lender, or other related party to stabilize the property in an attempt to preserve the property through compliance, transfer of ownership, or an infusion of capital provided by a third-party that requires time to effectuate; or

(I) take any other regulatory or contractual remedies available as deemed necessary and appropriate by the Secretary.

(d) The Secretary shall take appropriate steps to ensure that project-based contracts remain in effect, subject to the exercise of contractual abatement remedies to assist relocation of tenants for major threats to health and safety after written notice to the affected tenants. To the extent the Secretary determines, in consultation with the tenants and the local government, that the property is not feasible for continued rental assistance payments under such section 8 or other programs, based on consideration of—

(1) the costs of rehabilitating and operating the property and all available Federal, State, and local resources, including rent adjustments under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 ("MAHRAA"); and

(2) environmental conditions that cannot be remedied in a cost-effective fashion, the Secretary may contract for project-based rental assistance payments with an owner or owners of other existing housing properties, or provide other rental assistance.

(e) The Secretary shall report semi-annually on all properties covered by this section that are assessed through the Real Estate Assessment Center and have failing physical inspection scores or have received an unsatisfactory management and occupancy review within the past 36 months. The report shall include—

(1) identification of the enforcement actions being taken to address such conditions, including imposition of civil money penalties and termination of subsidies, and identification of properties that have such conditions multiple times;

(2) identification of actions that the Department of Housing and Urban Development is taking to protect tenants of such identified properties; and

(3) any administrative or legislative recommendations to further improve the living conditions at properties covered under a housing assistance payment contract. The first report shall be submitted to the Senate and House Committees on Appropriations not later than 30 days after the enactment of this Act, and the second report shall be submitted within 180 days of the transmittal of the first report.

Explanation of this Section: This provision sets standards for the condition of all properties receiving HUD rental assistance. It also enhances HUD's ability to exercise oversight, mandate corrective action, and change management of properties receiving tenant-based or project-based rental assistance.

SEC. 213. PHA EXECUTIVE COMPENSATION.— None of the funds made available by this Act, or any other Act, for purposes authorized under section 8 (only with respect to the tenant-based rental assistance program) and section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), may be used by any public housing agency for any amount of salary, including bonuses, for the chief executive officer of which, or any other official or employee of which, that exceeds the annual rate of basic pay payable for a position at level IV of the Executive Schedule at any time during any public housing agency fiscal year 2027.

Explanation of this Section: This provision establishes a cap on PHA personnel compensation tied to the Federal Executive Schedule pay scale.

SEC. 214. EMINENT DOMAIN RESTRICTIONS.—

(a) Title V of the National Housing Act (12 U.S.C. 1731a et seq.) is amended by adding to the end the following new section: "Section 543. PROHIBITION ON INSURING MORTGAGES SUBJECT TO EMINENT DOMAIN. --The Federal Housing Administration and the Government National Mortgage Association may not insure, securitize, or establish a Federal guarantee of (1) any mortgage 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; or (2) any mortgage-backed security based on and backed up by such mortgage."

(b) Section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a) is amended by adding to the end the following new subsection: "(m) PROHIBITION ON GUARANTEEING LOANS SUBJECT TO EMINENT DOMAIN. -- Under this section, the Secretary may not guarantee any loan that refinances or otherwise replaces a loan that has been subject to eminent domain condemnation or seizure, by a State, municipality, or any other political subdivision of a State."

(c) Section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13b) is amended by adding to the end the following new subsection: "(m) PROHIBITION ON GUARANTEEING LOANS SUBJECT TO EMINENT DOMAIN.-- Under this section, the Secretary may not guarantee any loan that refinances or otherwise replaces a loan 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: This provision makes permanent provisions prohibiting HUD from guaranteeing mortgages or mortgage-backed securities that refinance or otherwise replace mortgages that have been subject to eminent domain.

SEC. 215. UNOBLIGATED RESEARCH AWARDS.—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: This provision gives HUD the ability to re-obligate research funds left unexpended at the conclusion of an agreement.

SEC. 216. PROHIBITIONS ON AWARDS.—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: This provision prohibits the Department from issuing performance awards to employees subject to administrative discipline.

SEC. 217. MOVING TO WORK FLEXIBILITIES.— Any public housing agency designated as a Moving to Work agency pursuant to section 239 of division L of Public Law 114-113 (42 U.S.C. 1437f note; 129 Stat. 2897) may, upon such designation, use funds (except for special purpose funding, including special purpose vouchers) previously allocated to any such public housing agency under section 8 or 9 of the United States Housing Act of 1937, including any reserve funds held by the public housing agency or funds held by the Department of Housing and Urban Development, pursuant to the authority for use of section 8 or 9 funding provided under such section and section 204 of title II of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (Public Law 104-134; 110 Stat. 132128), notwithstanding the purposes for which such funds were appropriated.

Explanation of this Section: This provision allows public housing agencies designated as Moving to Work agencies to use pre-designation housing choice voucher and public housing funds, including reserves, consistent with the Moving to Work authorities.

SEC. 218. RENTAL ASSISTANCE DEMONSTRATION.—The language under the heading "Rental Assistance Demonstration" in the Department of Housing and Urban Development Appropriations Act, 2012 (Public Law 112-55), as most recently amended by Public Law 118-42, is further amended by striking the fourth proviso.

Explanation of this Section: This provision removes the limit on number of units that may convert assistance under the First Component of RAD.

SEC. 219. FORMULA GRANT ALLOCATION ADJUSTMENTS.—For fiscal year 2027, 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: This provision allows the Department to correct any past formula allocation errors as part of the next applicable formula allocation cycle.

SEC. 220. INFORMATION TECHNOLOGY TRANSFER AUTHORITY.—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: This provision allows for the transfer and merger of up to \$10 million in S&E funds to the Information Technology Fund.

SEC. 221. WAIVERS FOR VOUCHERS.—The Secretary may, upon a finding that a waiver or alternative requirement is necessary for the effective delivery and administration of funds made available for new incremental voucher assistance or renewals for the mainstream program and the family unification program (including the foster youth to independence program) in this and prior Acts, waive or specify alternative requirements, other than requirements related to fair housing, non-discrimination, labor standards, and the environment, for section 8(o)(6)(A) of the United States Housing Act of 1937 (42 U.S.C.

GENERAL PROVISIONS

1437f(o)(6)(A)) and regulatory provisions related to the administration of waiting lists, local preferences, and the initial term and extensions of tenant-based vouchers.

Explanation of this Section: This provision allows PHAs greater flexibilities in leasing their Mainstream, Family Unification, and Melania Trump Foster Youth to Independence vouchers.

SEC. 222. WHISTLEBLOWER PROTECTIONS.—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 project-based rental assistance contracts, rather than wait until there is a major modification.

SEC. 223. LUMP SUM INTEREST REDUCTION PAYMENTS.—

(a) Section 236 of the National Housing Act (12 U.S.C. 1715z-1) is amended--

(1) in subsection (c), by---

(A) designating the existing subsection (c) as (c)(1);

(B) by inserting in subsection (c)(1) ", except as described in (c)(2)," immediately before "in an amount not exceeding"; and

(C) by inserting after (c)(1), as redesignated above, the following new paragraph:"(2) During the term of the interest reduction payments, a project owner, including an owner subject to (e)(2) below, may request to combine the remaining interest reduction payments described in (c)(1) which the project owner would be eligible to receive under this section into one lump-sum payment, and the Secretary will pay this lump-sum amount to a mortgagee on behalf of the project owner provided the project owner agrees to remain subject to such binding commitments and affordability restrictions as projected prior to such lump sum payment."; and

(2) in subsection (e)(1), by---

(A) inserting "including the lump sum payment available under (c)(2)," after "As a condition for receiving the benefits of interest reduction payments, " ; and

(B) inserting "If a project owner that receives a lump-sum payment under (c)(2) fails to operate the project in accordance with requirements prescribed by the Secretary for the full period that would have been covered by monthly payments under (c)(1), all or a portion of such lump-sum payment will be subject to repayment to the Secretary." after the first sentence.

(b) The Secretary of Housing and Urban Development may implement the amendments made in subsection (a) by notice or other administrative means, including by providing alternative requirements to regulations implementing section 236 of the National Housing Act, other than provisions related to fair housing, nondiscrimination, labor standards, and the environment.

Explanation of this Section: This provision permanently allows HUD to accelerate Interest Reduction Payment (IRP) subsidy payments to the 29 remaining Section 236 IRP properties, so that HUD could end the IRP program and the accompanying decoupling program. Accelerating payments to these properties would allow owners to pay their debt service in a lump sum or continue monthly payments as scheduled. This change only modifies the disbursement of the funds, relieving HUD and the owner of administration costs, without altering affordability restrictions on the property.

SEC. 224. PBCA MODIFICATIONS.—Notwithstanding sections 3(b) and 8 of the United States Housing Act of 1937 (the Act) and chapter 63 of title 31, United States Code, amounts made available to the Secretary in this or any prior Act under the headings "Project-Based Rental Assistance" or "Housing Certificate Fund" for performance-based contract administrators to carry out section 8 of the Act (42 U.S.C. 1437f), as implemented by the Secretary in chapter VIII of title 24, Code of Federal Regulations, may be awarded through a Notice of Funding Opportunity not subject to procurement laws or regulations: Provided, That such awards shall be deemed for all purposes to be cooperative agreements: Provided further, That for purposes of such Notice, eligible applicants are public housing agencies as defined by section 3(b)(6)(A) of the Act and nonprofits of such agencies when operating outside of the State or territory in which such agency is established: Provided further, That the Secretary shall award one cooperative agreement for each State or territory, except that the Secretary may award more than one cooperative agreement for a State or territory if the population of such State or territory exceeds 25,000,000: Provided further, That the Secretary may select the best qualified applicant regardless of whether it operates within the jurisdiction of the State or territory served: Provided further, That if the Secretary does not select a qualified applicant under such Notice, the Secretary may utilize a procurement contract subject to all procurement laws and regulations to assist in carrying out such section 8.

Explanation of this Section: This provision allows HUD to make the Performance-Based Contract Administrator (PBCA) solicitation process a Notice of Funding Opportunity (awarded cooperative agreements) rather than a procurement under the FAR, as currently required by court rulings. The language makes agreements on a state-by-state basis rather than regional and would make only public housing agencies (PHAs) (including State Housing Finance Agencies) eligible. If a PHA is not selected for any given state through the notice, then HUD would use a procurement contract to select an administrator.

SEC. 225. MOD REHAB AND SRO SUNSET.—Public housing agencies may not renew rental assistance contracts under the moderate rehabilitation program under section 8(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(e)(2)) or the moderate rehabilitation single room occupancy program under section 441 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11401) after September 30, 2030.

Explanation of this Section: The PBRA account supports approximately 18,000 affordable units through the legacy Moderate Rehabilitation (Mod Rehab) and Single Room Occupancy (SRO) programs on year-to-year contracts. These units have a path

GENERAL PROVISIONS

to enter long-term Section 8 contracts through RAD (PBRA or PBV). Alternatively, owners can opt out of the Mod Rehab and SRO programs at contract expiration, in which case eligible families receive tenant protection vouchers (TPVs). HUD has already been conducting outreach to owners on these potential paths. This provision sunsets these two legacy programs within three years, giving owners time to develop plans for transition to one of these two alternative platforms.

SEC. 226. MARK-TO-MARKET EXTENSION.—The Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended in section 579 by striking "October 1, 2027" each place it appears and inserting in lieu thereof "October 1, 2029".

Explanation of this Section: This provision extends the authority to run the Mark to Market (M2M) program under Section 579 of MAHRAA to 2029 from its current expiration on September 30, 2027. Without the M2M program to reduce the debt, there may be a risk of default on the FHA-insured Section 8 properties if, because of reduced Section 8 rents, owners of these properties can no longer pay for property maintenance and mortgage payments. An extension of the M2M program will allow for the continuation of post-M2M debt assignment or forgiveness in Qualified Non-Profit preservation transactions and asset management of post-M2M debt.

SEC. 227. RENT ADJUSTMENTS.—For this fiscal year, the Secretary may elect through a Federal Register notice not to provide rent adjustments for properties receiving assistance under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), section 236(f)(2) of the National Housing Act (12 U.S.C. 1715z-1(f)(2)), or section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) other than the voucher program under section 8(o), the moderate rehabilitation program under section 8(e)(2), and the moderate rehabilitation single room occupancy program under section 441 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11401).

Explanation of this Section: The Department provides project-based rental subsidies through programs such as Project-Based Rental Assistance (PBRA), Housing for the Elderly, and Housing for Persons with Disabilities, to approximately 20,000 private multifamily owners, for approximately 1.4 million households. The majority of these contracts are governed by the Multifamily Assisted Housing Reform and Affordability Act (MAHRAA), which requires the Department to provide annual rent adjustments. This provision enables the Department to suspend any requirement, including in MAHRAA, to provide annual rental adjustments in 2027.

SEC. 228. FULL FLEXIBILITY FOR ALL PHAS.—Of any amounts allocated to a public housing agency from funds appropriated under paragraphs (1) and (3) of the heading "Public Housing Fund", in prior Acts and paragraphs (1) and (2) of this Act (including operating reserve funds), the agency may use any such amounts for any eligible activities under sections 9(d)(1) and 9(e)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1) and (e)(1)), regardless of the paragraph from which the amounts were allocated and provided.

Explanation of this Section: This provides full flexibility between Public Housing Operating Subsidy and Capital Formula Grants for all PHAs.

SEC. 229. CANCELLATIONS.—

(a) *Of the unobligated balances included under Treasury Appropriation Fund Symbol 86 X 0303, \$4,258,174.91 is hereby permanently cancelled.*

(b) *Any unobligated balances of amounts made available in paragraph (2) under the heading "Community Development Fund" from fiscal year 2025 making appropriations for the Department of Housing and Urban Development are hereby permanently cancelled.*

(c) *Any unobligated balances from prior year appropriations included under Treasury Appropriation Fund Symbol 86-2025/2029-0483 are hereby permanently cancelled.*

(d) *Any unobligated balances from prior year appropriations included under Treasury Appropriation Fund Symbol 86-2025/2027-0108 are hereby permanently cancelled.*

(e) *Of the unobligated balances included under Treasury Appropriation Fund Symbol 86 X 4041, \$15,332,452.51 are hereby permanently cancelled.*

Explanation of this Section: This proposal cancels certain balances.

SEC. 230. ELIMINATING RECAPTURE AUTHORITIES.—

(a) *Section 231(a) of division H of the Consolidated Appropriations Act, 2020 (Public Law 116-94; 42 U.S.C. 11364a) is amended by inserting "fiscal year 2026 and prior years" after "Amounts recaptured from", and by striking "this or any succeeding fiscal year".*

(b) *Any remaining balances subject to section 231 of division H of the Further Consolidated Appropriations Act, 2020 (Public Law 116-94; 42 U.S.C. 11364a) as of October 1, 2027, may be made available only for grants under the Emergency Solutions Grant program under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.) or for such program purposes as provided for under the heading "Homeless Assistance Grants" in this Act until expended.*

(c) *Notwithstanding prior appropriations Acts, any funds recaptured in fiscal year 2027 from funds appropriated under the heading "Department of Housing and Urban Development-- Community Planning and Development-- Homeless Assistance Grants" may only be made available during the period of availability specified under the heading and for the purposes for which the funds were appropriated.*

Explanation of this Section: This proposal eliminates the authorities that make Homeless Assistance Grants recaptures available until expended. Beginning on October 1, 2027, remaining balances would be used for the purposes of the expanded Emergency Solutions Grants program; subsequent recaptures would retain their original period of availability.

SEC. 231. REMOVING WORDS OF FUTURITY FOR APPROPRIATIONS

ATTORNEYS.—*Title II of Division K of the Consolidated Appropriations Resolution, 2003 (Public Law 108-7), under the heading "Management and Administration--Salaries and Expenses" is amended—*

(1) *in the sixth proviso by striking "permanently"; and*

(2) *in the eighth proviso by striking "hereafter,".*

Explanation of this Section: This proposal removes the words of futurity from the 2003 appropriations act that moved appropriations law attorneys from OGC into OCFO.

SEC. 232. —

(a) **WORK REQUIREMENTS AND TIME LIMITS.--**

(1) *Section 12 of the United States Housing Act of 1937 (42 U.S.C. 1437j) is amended—*

(A) by striking the section heading and inserting "Labor Standards, Work Requirements, and Time Limits."; and

(B) by striking subsection (c) and inserting the following:

"(c) APPLICATION OF WORK REQUIREMENTS FOR ASSISTED FAMILIES.—

"(1) WORK REQUIREMENT.—

"(A) IN GENERAL.-- Except as provided in subparagraph (B), each individual who is a member of a family residing in a dwelling unit for which rental assistance is provided under this Act must, as a condition of the continued provision of such assistance, perform not fewer than on average 20 hours of approved work activities (as defined in section 407(d) of the Social Security Act (42 U.S.C. 607(d))) per week.

"(B) EXEMPTION.-- An individual is exempt from the requirements of subparagraph (A) if that individual

"(i) is a minor under the age of 18;

"(ii) is 62 years of age or older;

"(iii) is a person with disabilities (42 U.S.C. 1437a(b)(3)) and is unable to comply with subparagraph (A), or is a primary caretaker of such individual;

"(iv) meets the requirements for being exempted from having to engage in a work activity under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 607(e)(2));

"(v) is in a family receiving assistance under a State program funded under part A of the title IV of the Social Security Act (42 U.S.C. 601 et seq.), the Supplemental Nutrition Assistance Program (SNAP) of the Food and Nutrition Act of 2008 (P.L. 88-525; 7 U.S.C. 2011 et seq.), or Medicaid under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), who is subject to and is not exempt from the work

requirements of such programs, and has not been found by the State or other administering entity to be in noncompliance with such program's work requirements;

"(vi) is enrolled as a student in an institution of higher education as defined in section 102 of the Higher Education Act of 1965 (for a duration determined by the housing provider); or

"(vii) is a veteran receiving housing assistance under 41 U.S.C. 1437f(o)(19) and is actively participating in any mental health, substance abuse, rehabilitation, or recovery program prescribed or recommended by a Department of Veterans Affairs medical professional or case manager.

"(C) For two-parent households with no applicable exemption for either parent, with a child under age 6, both parents combined must perform not fewer than on average 40 hours of approved work activities per week.

"(2) TIME LIMIT ON ASSISTANCE FOR NON-EXEMPT INDIVIDUALS.—

"(A) IN GENERAL.-- No public housing agency or owner of a project may provide rental assistance under this Act on behalf of an adult individual who has received housing assistance under this Act for 60 months (whether or not consecutive), unless the individual is exempt under subsection (c)(1)(B).

"(B) COUNTING RULES.-- Months of rental assistance shall be counted in a manner consistent with section 408(a)(7) of the Social Security Act (Pub. L. 104-193; 110 Stat. 2134; 42 U.S.C. 608(a)(7)), including good-cause exceptions and hardship exemptions as determined by the Secretary."

(b) To implement the policies in subsection (a), the Secretary may—

(1) issue regulations to implement and enforce the requirements of paragraph (c)(1) of section 12 of the United States Housing Act of 1937 as added by this Act; and

(2) via regulations or Federal Register notice, establish policies and any hardship exemption that aligns, to the extent practicable, with TANF time-limit policies, or Medicaid and SNAP work requirements policies, including State reporting systems and verification standards.

GENERAL PROVISIONS

(c) Section 204(e)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437f note) is amended by striking "other than housing assisted solely due to occupancy by families receiving tenant-based assistance".

(d) The amendments made by subsection (a)(1)(B) of this section shall become effective upon HUD publishing regulations or a notice implementing the requirements of this section.

Explanation of this Section: This provision gives the Secretary permanent authority to require PHAs and multifamily property owners to implement work requirements and time limits for assisted families other than those who fall into an exempted category, for example due to their age or status as a disabled individual.

SEC. 233. IMPROVING PHA PERFORMANCE.—

(a) The Secretary may require any public housing agency (PHA) to enter into a recovery agreement, as defined by the Secretary, if the PHA has—

(1) received a Public Housing Assessment System (PHAS) designation of substandard on the most recent PHAS assessment;

(2) received a Section 8 Management Assessment Program (SEMAP) score of 70 percent and below, or having received two out of three years of shortfall funding; or

(3) ongoing compliance deficiencies that materially impede effective housing choice voucher (HCV) performance.

(b) PHAs that fail to execute the agreement or meet its requirements may be referred to the Assistant Secretary for Public and Indian Housing for progressive remedial action, including a determination of a substantial default, as appropriate and after considering the PHA's efforts to comply.

Explanation of this Section: This provision gives greater authority to the Secretary to require PHAs with poor performance to enter into recovery agreements with HUD designed to improve property conditions and financial management.

SEC. 234. PROHIBITION ON NEW PUBLIC HOUSING UNITS.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 9(d)(1)(A), by striking "development, "; and

(2) in section 18(d), by striking "significantly fewer than" after the second instance of "replacement public housing units is" and inserting "no more than half of".

Explanation of this Section: This provision permanently prohibits the use of Public Housing Capital Funds to develop new public housing, except when developing through Section 35 Mixed Finance transactions, in which case no more than half of the original units that were demolished can be developed.

SEC. 235. LOCATION OF GOVERNMENT NATIONAL MORTGAGE ASSOCIATION PRINCIPAL OFFICE.—Subparagraph (A) of section 302(a)(2) of the National Housing Act (12 U.S.C. 1717(a)(2)(A)) is amended—

(1) by adding "or the metropolitan area thereof" after "District of Columbia";

GENERAL PROVISIONS

- (2) by inserting "jurisdiction and" before "venue"; and
(3) by inserting "District of Columbia" before "resident" and striking "thereof".

Explanation of this Section: This provision amends the Government National Mortgage Association authorizing statute to allow offices in the metropolitan area of Washington, DC.

SEC. 236. FAIRCLOTH LIMIT.—Section 9(g)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437g(g)(3)(A)) is amended by –

- (1) striking "October 1, 1999" and inserting "October 1, 2027"; and
(2) striking "or operated by" and inserting "operated, or proposed and under review by the Secretary for development or acquisition by".

Explanation of this Section: This provision updates the point in time from which public housing Faircloth Limits are calculated.

SEC. 237. MELANIA TRUMP FOSTER YOUTH TO INDEPENDENCE INITIATIVE.—Section 8(x) of the United States Housing Act of 1937 (42 U.S.C. 1437f(x)) is amended by adding at the end the following paragraph:

“(7) FOSTER YOUTH PROGRAM NAME.— The program providing assistance under this subsection for an eligible youth pursuant to paragraph (2)(B) shall be known as ‘The Melania Trump Foster Youth to Independence Initiative’.”

Explanation of this Section: This provision permanently renames the Foster Youth to Independence program to the Melania Trump Foster Youth to Independence Initiative.