

CDBG-DR Policy Bulletin 2025-03

Guidance on Requesting a Waiver or Alternative Requirement

Version: 1.0

Published: September 2025



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Disaster Recovery



Table of Contents

Introduction	2
HUD’s Waiver Authority.....	2
Examples of Waivers.....	3
Eligibility and Administrative Waivers	3
National Objective Waivers	3
Overall Benefit Waivers	3
Additional Waiver Requests	4
Process for Requesting a Waiver	5
Frequently Asked Questions (FAQs)	7



Introduction

The U.S. Department of Housing and Urban Development (HUD) establishes the following policy for how CDBG-DR or CDBG-MIT grantees can request a waiver or alternative requirement from their HUD CPD staff member. This policy bulletin also details HUD’s explicit waiver authority granted under emergency appropriations for disaster recovery funding, examples of typical waivers and alternative requirements, and guidance on how grantees can prepare, submit, and support a waiver request.

HUD’s Waiver Authority

CDBG-DR and CDBG-MIT grants are generally subject to the CDBG regulations in 24 CFR part 570 and title I of the Housing and Community Development Act (HCDA), unless waived or modified. The appropriations acts providing CDBG-DR or CDBG-MIT funds typically allow the Secretary to waive requirements or specify alternative requirements for any provision of any statute or regulation that the Secretary administers.¹

While HUD provides many waivers and/or alternative requirements for CDBG-DR or CDBG-MIT allocations, every grantee’s disaster recovery experience is unique, and additional regulatory considerations may be needed to help support an efficient recovery. Historically, HUD has established waivers and alternative requirements based on the following good cause statements:

- The waiver provides additional flexibility to grantees in program design and implementation.
- The waiver supports a full and swift recovery from a severe disaster.
- The waiver streamlines administrative requirements to reduce the time it takes for disaster funds to reach those most in need.

Grantees can request additional waivers and/or alternative requirements from HUD with a similar “good cause” justification and should make this request as soon as the need is identified. Grantees should provide data, as applicable, to justify statements made to support good cause. Upon determination by the Secretary that good cause exists, waivers and/or alternative requirements can be granted if they are not inconsistent with the overall purposes of HCDA.²



Grantees can find previously issued waivers and/or alternative requirements in OMNI *Federal Register* notices and waiver memorandums posted on the [CDBG-DR Laws, Regulations, and Federal Register Notices webpage on HUD.gov](#).

¹ Requirements related to fair housing, nondiscrimination, labor standards, and the environment cannot be waived.

² Grantees are cautioned that not all waiver requests may be approved, and that HUD may impose additional alternative requirements when granting a waiver.



Examples of Waivers

Eligibility and Administrative Waivers

Waivers requesting new eligible activities are rare, as the list of existing eligible activities³ is extensive and can accommodate nearly all disaster-related needs. There have been a few instances of grantees requesting a waiver for a new eligible activity or an alternative requirement to an existing eligible activity. Examples include:

- Developing a Coastal Lab and Accelerator Center that supports new business initiatives aimed at addressing flood risk as an eligible activity.
- Modifying the prohibition on income payments to permit tenant-based rental assistance for a limited period to meet affordable housing needs.
- Eliminating the public benefit requirement for special economic development activities.

National Objective Waivers

All CDBG-DR and CDBG-MIT activities are required to meet a national objective. HUD will not consider waiver requests that seek to waive a national objective entirely. However, HUD may consider a waiver request to impose an alternative requirement modifying an existing national objective. Examples include:

- Creating the Safe Housing Incentives (LMHI)⁴ national objective to allow grantees to meet a national objective by providing safe housing incentives to low- or moderate-income (LMI) households.
- Allowing grantees to count funds expended on infrastructure activities toward benefiting LMI persons and meeting the overall benefit requirement.⁵

Overall Benefit Waivers

The primary objective of the HCDA is the “development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income” (42 U.S.C. 5301(c)). Consistent with the HCDA, 24 CFR 570.484 and 24 CFR 570.200(a)(3), generally not less than 70 percent of a grantee’s funds must be used to support activities that benefit LMI persons.⁶

³ For states, the activities described at 42 U.S.C. § 5305(a) and 24 CFR part 570, subpart I; for local governments, the activities described in 42 U.S.C. § 5305(a) and 24 CFR part 570, subpart C; or an activity eligible under a waiver and alternative requirement.

⁴ See Section III.D.5.i. *Safe housing incentives* of the Universal Notice.

⁵ See Section III.D.6.e. *LMI benefit for infrastructure activities* of the Universal Notice.

⁶ CDBG-DR and CDBG-MIT grantees should always refer to their applicable *Federal Register* notice(s) as some notices may already provide for a modified overall benefit requirement.



A grantee may request a waiver of the overall benefit requirement to reduce the LMI benefit requirement below 70 percent of the total grant. To request a waiver, the grantee must submit a substantial amendment, and provide a justification that, at a minimum:

- (a) identifies the planned activities that meet the needs of its LMI population;
- (b) describes proposed activities and programs that will be affected by the alternative requirement, including their proposed location(s) and role(s) in the grantee’s long-term disaster recovery plan;
- (c) describes how the activities/programs identified in (b) prevent the grantee from meeting the 70 percent requirement;
- (d) demonstrates that LMI persons’ disaster-related needs have been sufficiently met and that the needs of non-LMI persons or areas are disproportionately greater, and that the jurisdiction lacks other resources to serve non-LMI persons; and
- (e) demonstrates a compelling need for HUD to lower the percentage of the grant that must benefit LMI persons.

Additional Waiver Requests

Grantees may also request a waiver and/or alternative requirements of other statutes or regulations that the Secretary administers.⁷ For example, a grantee may request a modification of the definition of subrecipient, or a limited modification of the private utilities alternative requirement often imposed by *Federal Register* notices.

HUD Disapproval of Waiver Requests

HUD may deny a waiver request if:

- Good cause is not clearly demonstrated or documented
- The waiver is inconsistent with title I of the HCDA
- The benefit to LMI persons is unclear
- There’s no demonstrated connection to the qualifying disaster
- Approval would contradict prior HUD decisions or set a negative precedent

Example: HUD will not approve a waiver request to rehabilitate a casino, as these are inconsistent with congressional intent and title I of the HCDA. If HUD disapproves your request, it will issue a letter explaining the reason. HUD will work with you to identify other eligible uses of funds.

⁷ Requirements related to fair housing, nondiscrimination, labor standards, and the environment cannot be waived.



Process for Requesting a Waiver

The following process outlines the steps to prepare, submit, and support a waiver request:

Step 1: Confirm Eligibility and Need for a Waiver

- **Wait for HUD’s Allocation Announcement Notice (AAN):** Grantees may only begin the waiver process after HUD announces CDBG-DR or CDBG-MIT allocations in an AAN.
- **Review the AAN:** Check whether the waiver or alternative requirement you’re seeking has already been granted.
- **Evaluate Alternatives:** Only pursue a waiver if other approaches cannot meet your unmet recovery or mitigation needs.

Step 2: Consult with HUD

- **Contact Your HUD CPD Staff Member:** Reach out to your assigned HUD CPD staff member to discuss your proposed waiver, get technical assistance, and confirm that your request is consistent with HUD’s priorities.
- **Discuss Timing:** CPD staff can also help you understand expected publication timelines in the Federal Register.

Step 3: Prepare a Strong Waiver Request

Your formal waiver request must be clear, detailed, and well-supported. Include the following elements:

Good Cause Justification

Explain why the waiver is necessary and how it aligns with the goals of the program. A strong good cause justification includes:

- Why the waiver is required to implement recovery efforts effectively.
- How the waiver promotes efficient use of funds and supports recovery or mitigation efforts.
- How the waiver benefits LMI persons and aligns with title I of the HCDA.

Examples of supporting rationale:

- Demographics of populations served (e.g., low-income, vulnerable groups)
- Financial burden if the waiver is not granted
- Alternative approaches considered and why they were not feasible
- Ability to assist more LMI individuals



Supporting Data

Use data to support your justification. This may include:

- Damage assessment data (e.g., FEMA, SBA, NFIP claims, insurance reports)
- Pre- and post-disaster housing data, local demographics, market analysis
- Assistance already provided
- Maps and visuals if available



To access FEMA and NFIP data efficiently, consider executing a **Memorandum of Understanding (MOU)** or **signing onto the HUD/FEMA Computer Matching Agreement (CMA)**. Learn more on HUD's website:

<https://www.hud.gov/hud-partners/community-cdbg-dr/data-sharing>

Format Requirements

Include all of the following in your formal waiver request letter:

- Disaster event and year (e.g., 2023 wildfires)
- Public Law number that allocated the funds (e.g., Public Law 117-328)
- Type of grant (e.g., CDBG-DR, CDBG-MIT)
- Specific regulation or requirement to be waived or modified (e.g., section of the *Federal Register* notice)
- Proposed alternative requirement (if applicable)
- Detailed background and context
- Good cause justification
- Supporting data and documents
- Maps or visuals, if helpful

Step 4: Submit the Waiver Request

- Finalize and sign the waiver request letter.
- Submit via email to disaster_recovery@hud.gov and CC your assigned HUD CPD staff member.

Step 5: Monitor HUD's Decision and Publication

- HUD aims to publish grantee-specific waivers and alternative requirements quarterly in the *Federal Register* or on HUD's website.
- Consult your HUD CPD staff member for estimated timelines and status updates.



Frequently Asked Questions (FAQs)

- 1. I have a 2022 CDBG-DR grant and I would like to request a waiver to allow my 2022 CDBG-DR funds to be subject to the Universal Notice requirements. Is that possible?**

Answer: Yes. To request a waiver, the grantee would draft a formal letter of request to allow their 2022 CDBG-DR grant funds to be subject to the requirements in the Universal Notice, by waiving the requirements in the 2022 applicable Federal Register notice. The grantee must include a good cause statement and forward their request to their CPD staff member and copy the disaster_recovery@HUD.gov email.

- 2. I have a 2015 CDBG-DR grant. Can I request a waiver to allow those 2015 grant funds to be subject to the Universal Notice requirements?**

Answer: Not entirely. The language in the appropriations act that funded the 2015 CDBG-DR awards is very different than the language of the appropriations act that funded grants under the Universal Notice. For example, prior to 2020, HUD did not have the authority to include the mitigation set-aside in the CDBG-DR grants or allow an Admin Only Action Plan. When the appropriations acts that fund CDBG-DR are significantly different, granting a waiver like this can be nearly impossible. Generally, the appropriations acts that funded disasters occurring in 2020 to 2024 are largely the same, so this type of waiver for grants in those disaster classes are the most likely to get approved.

However, HUD suggests that if there are specific requirements that a grantee would like HUD to consider allowing to be in alignment with the Universal Notice requirements, the grantee should request specific individual waivers they've seen in the Universal Notice. HUD now has a precedent for granting the waivers in the Universal Notice and can apply those to older grants, as long as there is good cause.

- 3. Where can I find previously granted CDBG-DR waivers?**

Answer: HUD grants additional waivers and alternative requirements and provides clarification and/or corrections to specific grantees or an entire grantee disaster class through the publication of an OMNI Notice or through the publication of a CDBG-DR Waiver Memorandum. You can find those at HUD.gov here: <https://www.hud.gov/hud-partners/community-cdbg-dr-regulations>.

- 4. When should I start drafting a waiver request—before or after I consult with HUD CPD staff?**

Answer: The best practice is to consult with your assigned HUD CPD staff **before** drafting your formal waiver request. Early consultation allows HUD to provide technical assistance, confirm whether your waiver is necessary or already granted, and help align your request with HUD's program priorities.



5. What if the regulation I want waived is not in the Federal Register notice, but in statute or a separate HUD regulation? Can I still request a waiver?

Answer: Possibly. HUD can waive statutory or regulatory provisions only if the applicable appropriations act grants the Secretary authority to do so, and only if the requirement is not related to fair housing, nondiscrimination, labor standards, or environmental laws. Always confirm with HUD whether a specific requirement is waivable.

6. Can I submit one waiver request that covers multiple requirements or programs?

Answer: Yes, but each requested waiver must be clearly stated, justified individually with a separate good cause statement and relevant data. Grouped waiver requests must still demonstrate how each requested change aligns with the objectives of title I of the HCDA and supports effective recovery.

7. Can mitigation-only grants request the same types of waivers as disaster recovery grants?

Answer: Generally, yes. CDBG-MIT grantees may request waivers or alternative requirements using the same process. However, some criteria (like disaster tie-back) do **not** apply to mitigation funds, so the justification may differ slightly. Always clarify with your HUD CPD staff member how waiver criteria apply to your specific grant type.