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Department of Housing and Urban Development (HUD): FY2026 Budget Request Fact Sheet

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Department of Housing and Urban Development (HUD): FY2026 Budget Request Fact Sheet

This report provides a brief overview of the President's FY2026 budget request for the Department of Housing and Urban Development (HUD). It links to relevant Administration budget documents and CRS reports.

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Alyse N. Minter
Research Librarian

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Introduction

This report provides a brief overview of the President’s FY2026 budget request for the Department of Housing and Urban Development (HUD). It links to relevant Administration budget documents and Congressional Research Service (CRS) reports.

Most funding for HUD programs and activities comes from discretionary appropriations provided each year through annual appropriations acts. The House and the Senate appropriations committees’ Transportation, HUD, and Related Agencies subcommittees generally consider HUD’s annual appropriations along with those for the Department of Transportation and several related agencies (including the Neighborhood Reinvestment Corporation, also known as NeighborWorks America, and the Interagency Council on Homelessness).

- For additional information on HUD programs and activities, see CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*, by Maggie McCarty, Libby Perl, and Katie Jones.

This report will not be updated to track legislative action during the appropriations process.

- To track the status of legislative action during the appropriations process, see the CRS Appropriation Status Table.
- To locate CRS experts on appropriations, see CRS Report R42638, *Appropriations: CRS Experts*, by James M. Specht and Justin Murray.

President’s FY2026 HUD Budget Request

On May 2, 2025, President Trump submitted a “skinny budget” for FY2026 with limited details. Beginning May 30, 2025, more information has been made available, including a Budget Appendix and Congressional Budget Justifications.

- For additional information on HUD’s budget request, see the FY2026 Budget Appendix.
- For additional details on requested funding levels for specific programs and activities, see HUD’s FY2026 Congressional Budget Justifications.
- For a comparison of FY2026-requested funding levels and FY2025-enacted funding levels for select HUD accounts, see **Table 1**.

Gross Budget Authority

The President’s FY2026 request proposes \$43.5 billion in *gross* discretionary appropriations for HUD, which is about \$45.6 billion (51%) less than the \$89 billion in discretionary appropriations provided in FY2025-enacted appropriations laws.¹ Gross appropriations represent the amount of new funding, or budget authority, available for HUD programs and activities, not accounting for budgetary savings from offsets or other savings.

¹ These totals include emergency-designated funding for regular program operations but exclude emergency-designated spending for disaster recovery.

The President’s budget proposes funding reductions for most HUD programs and activities, including a number of program eliminations, which are explored below (see “Program Eliminations” and “Funding Reductions”).

Net Budget Authority

Net discretionary budget authority accounts for the effect of budgetary savings from offsetting collections and receipts, rescissions, and other sources. As shown in **Figure 1**, after accounting for budgetary savings, the President’s FY2026 budget requests \$33.2 billion in net discretionary funding for HUD, a decrease of about \$48.1 billion (59%) compared with the net budget authority provided in FY2025.

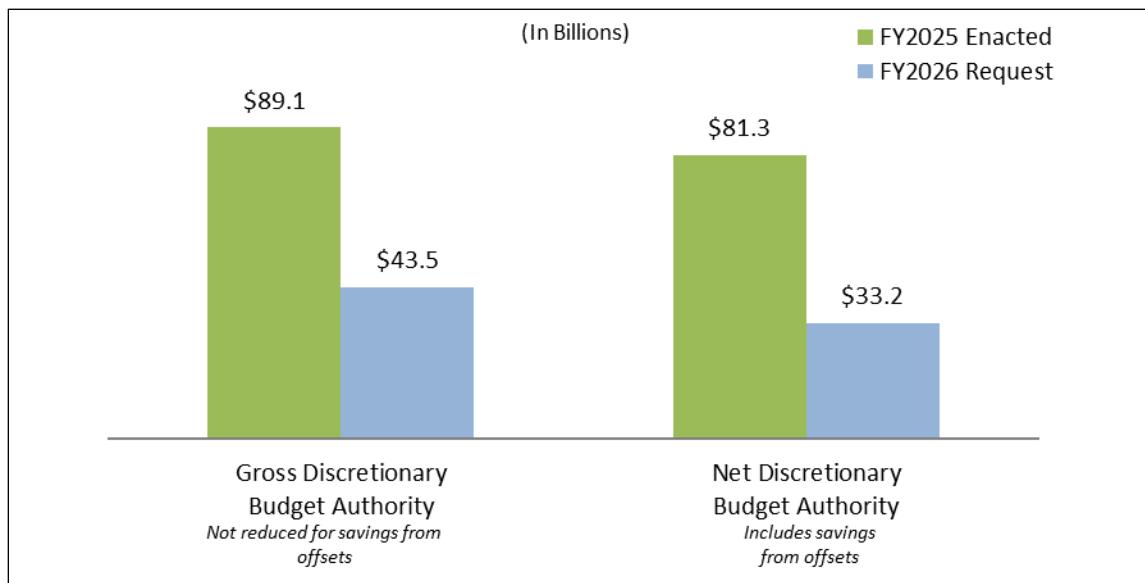
The gross budget authority generally best reflects the amount of new funding available for HUD’s programs and activities in a year, whereas net budget authority is important for budgetary scorekeeping and compliance with statutory spending limitations.

Offsetting Receipts

Available offsets are estimated by the Office of Management and Budget to be greater in FY2026 than in FY2025. There is an estimated \$1.44 billion (16%) increase in budget savings available from offsetting collections and receipts for FY2026 relative to FY2025. This increase is largely attributable to projected increases in offsetting receipts from mortgages insured by the Federal Housing Administration (FHA) in FY2026 relative to FY2025. These estimates of offsetting collections and receipts for FY2026 may change when the Congressional Budget Office (CBO) re-estimates the President’s budget for the purposes of the congressional appropriations process.

- For more information about FHA and how it is accounted for in the budget, see CRS Report R42875, *FHA Single-Family Mortgage Insurance: Financial Status of the Mutual Mortgage Insurance Fund (MMI Fund)*, by Katie Jones.

Figure 1. Total HUD Discretionary Funding With and Without Savings from Offsets and Other Sources: FY2025 Enacted and FY2026 Request



Source: Chart prepared by the Congressional Research Service (CRS). FY2025 and FY2026 figures taken from FY2026 President's budget documents and Department of Housing and Urban Development (HUD) Congressional Budget Justifications.

Notes: These totals include emergency-designated funding for regular program operations but exclude emergency-designated spending for disaster recovery.

Program Eliminations

The bulk of the funding reduction proposed in the FY2026 budget request comes from program eliminations. The budget proposes to eliminate funding for a number of HUD programs, which, combined, received over \$68.7 billion in FY2025 (see “Rental Assistance” for information on the proposed new State Rental Assistance Program, which is intended to replace existing rental assistance programs). The HUD programs slated for elimination include the following:

- **Tenant-Based Rental Assistance** (Section 8 Housing Choice Vouchers), funded at \$36 billion in FY2025, provides rent subsidies to private landlords on behalf of low-income households.
- **Project-Based Rental Assistance** (Project-Based Section 8), funded at \$16.9 billion in FY2025, funds long-term rental assistance contracts with owners of project-based Section 8 properties.
- **Public Housing Fund**, funded at \$8.8 billion in FY2025, provides grants to public housing agencies to fund public housing costs.
- **Community Development Fund** (including the Community Development Block Grant [CDBG] program), funded at \$3.4 billion in FY2025, provides formula grants to states and localities for a variety of community and economic development activities.
- **HOME Investment Partnerships Program**, funded at \$1.3 billion in FY2025, provides formula grants to states and eligible localities for various affordable housing activities targeted to low-income households.

- **Housing for the Elderly**, funded at \$931 million in FY2025, provides grants and project-based rental assistance to support the development and ongoing operation of low-income housing for elderly households.
- **Housing Opportunities for Persons with AIDS (HOPWA)**, funded at \$505 million in FY2025, provides formula and competitive grants to states and localities to fund the development of housing for low-income persons living with HIV/AIDS and their families.
- **Housing for Persons with Disabilities**, funded at \$257 million in FY2025, provides competitive grants and project-based rental assistance to support the development and ongoing operation of low-income housing for persons with disabilities and their families.
- **Self-Sufficiency Programs**, funded at \$196 million in FY2025, provide supportive services to HUD-assisted households to improve economic and housing stability.
- **Choice Neighborhoods Grants**, funded at \$75 million in FY2025, provide competitive grants to revitalize distressed public housing or other HUD-assisted housing.
- **Native Hawaiian Housing Block Grants**, funded at \$22 million in FY2025, provide grants to Hawaii's Department of Hawaiian Home Lands (DHHL) for housing and related infrastructure for low-income Native Hawaiians on the Hawaiian home lands.

Funding Reductions

Several HUD programs are proposed for funding reductions relative to FY2025-enacted appropriations. Programs that are proposed for reductions include the following:

- **Native American Programs**, proposed for a \$457 million (34%) reduction relative to FY2025, which fund formula and other grants to Native American tribes and Alaska Native Villages for affordable housing activities in tribal areas. This proposal would eliminate the Indian Housing Block Grant (IHBG)-Competitive program and does not request new credit subsidy for the Title VI Loan Guarantee program in FY2026.
- **The Management and Administration accounts**, proposed for a \$415 million (17%) reduction relative to FY2025, which fund HUD program administration and staffing.
- **The Office of Lead Hazard Control account**, funded at \$296 million in FY2025, did not receive a request for new funding for FY2026. The President's budget states that the Lead Hazard Reduction account has \$273.2 million in unexpended funds from prior fiscal years that it can use to carry out programming in FY2026. Lead Hazard Reduction grants provide funds to localities for lead-based paint hazard testing and remediation.
- **The Fair Housing Activities account**, proposed for a \$60 million reduction (70%) relative to FY2025, which funds the Fair Housing Assistance Program (FHAP) and the Fair Housing Initiatives Program (FHIP). The FY2026 President's budget proposes to eliminate FHIP, which provides grants to nonprofit organizations that work on fair housing issues. (FHAP, which provides

grants and resources to eligible state and local governments that enforce fair housing laws, would continue to be funded under this proposal.)

- **The Self-Help Homeownership Opportunity Program (SHOP) account**, proposed for a \$44 million (73%) reduction relative to FY2025, includes funding for grants to national intermediaries (such as Habitat for Humanity) to fund self-help, sweat-equity model housing programs for low-income families and grants for capacity-building activities. The FY2026 President's budget does not request funding for the Self-Help Housing Opportunity Program (SHOP) or the Rural Capacity Building program. (The Section 4 Capacity Building program would continue to be funded under this proposal.)
- **The Research and Technology account**, proposed for a \$44 million (32%) reduction relative to FY2025, which funds activities such as HUD-administered national surveys, program evaluations, data and information management, and support for program implementation.
- **Homeless Assistance Grants**, proposed for a \$27 million (1%) reduction relative to FY2026, which fund housing and services for homeless persons. The budget proposes to eliminate the Continuum of Care (CoC) program and consolidate funding for homeless assistance under the Emergency Solutions Grants (ESG) program.

Rental Assistance

The FY2026 President's budget request proposes to reduce spending for rental assistance by eliminating HUD's rental assistance subsidy programs—including public housing, Section 8 Housing Choice Voucher, Section 8 Project-Based Rental Assistance, Section 202 Housing for the Elderly, and Section 811 Housing for Persons with Disabilities—and instead funding a new state block grant. The new State Rental Assistance Program, proposed to be funded at \$36.2 billion, would provide block grant funding to states to create their own rental assistance programs (of which \$25 million would be designated for Foster Youth to Independence grants).

According to HUD's Congressional Budget Justification (CJ) for the State Rental Assistance Program, states would receive allocations through the State Rental Assistance Program based on a formula that would take into account data on rental assistance in prior years. The CJ states that the intent behind this proposal is to allow states to design rental assistance programs that best meet their needs and to prioritize the housing needs of low-income elderly and disabled households. Under this proposal, rental assistance to nonelderly, nondisabled households would be capped at two years.

The amount of funding requested for the State Rental Assistance Program for FY2026 is 42% lower than the amount of funding allocated to federal subsidies for rental assistance in FY2025, when HUD's rental assistance programs received \$62.9 billion combined.

The President's budget documents note that this proposal would require enactment of authorizing legislation. As of the date of this report, no further details or draft authorizing legislation has been released.

Table 1. FY2025-Enacted Funding and FY2026 Request: Select HUD Accounts
(in billions of dollars)

| Accounts | FY2025 Enacted | FY2026 Request | % Change, FY2025- FY2026 Request |
|--|-------------------|-------------------|--|
| Salaries and Expenses (Mgmt. & Adm.) | 2.449 | 2.034 | -17% |
| State Rental Assistance Fund (proposed) | 0.000 | 36.212 | NA |
| Tenant-Based Rental Assistance (Section 8 Housing Choice Vouchers) | 36.041 | 0.000 | -100% |
| Public Housing Fund | 8.811 | 0.000 | -100% |
| Choice Neighborhoods | 0.075 | 0.000 | -100% |
| Self Sufficiency Programs | 0.196 | 0.000 | -100% |
| Native American Programs | 1.344 | 0.887 | -34% |
| Native Hawaiian block grant | 0.022 | 0.000 | -100% |
| Housing, persons with AIDS (HOPWA) | 0.505 | 0.000 | -100% |
| Community Development Fund (Including CDBG, not CDBG-DR) | 3.430 | 0.000 | -100% |
| HOME Investment Partnerships | 1.250 | 0.000 | -100% |
| Self-Help Homeownership (SHOP) | 0.060 | 0.016 | -73% |
| Homeless Assistance Grants | 4.051 | 4.024 | -1% |
| Project-Based Rental Assistance (Project-Based Section 8) | 16.890 | 0.000 | -100% |
| Housing for the Elderly | 0.931 | 0.000 | -100% |
| Housing for Persons with Disabilities | 0.257 | 0.000 | -100% |
| Housing Counseling Assistance | 0.058 | 0.000 | -100% |
| Research and technology | 0.139 | 0.095 | -32% |
| Fair housing activities | 0.086 | 0.026 | -70% |
| Lead Hazard Reduction | 0.296 | 0.000 | -100% |

Source: Table prepared by CRS. FY2025 and FY2026 figures taken from FY2026 President's budget documents and HUD Congressional Budget Justifications.

Notes: Figures include emergency-designated funding for regular program operations but exclude emergency-designated spending for disaster recovery.

Author Information

Alyse N. Minter
Research Librarian

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