

Proposed Changes to Federal Grant Rules: What PHAs Need to Know

Comment Deadline: July 13, 2026, 11:59 PM ET

Comment portal: www.regulations.gov/docket/OMB-2026-0034

More than 13,000 comments have been submitted, and every voice counts. CLPHA encourages each member to add your PHA's perspective to the record.

WHAT IS HAPPENING

On May 29, 2026, the Office of Management and Budget (OMB), jointly with nearly every major federal agency including HUD, published a [proposed rule](#) that would change the basic rules governing how PHAs receive, spend, and account for federal grant funds. The rule would replace the current grant rulebook, known as the Uniform Guidance (2 CFR Part 200), with a new, government-wide, binding **Uniform Grants Regulation (UGR)**. It would centralize control of grant rules under OMB and remove HUD's ability to tailor regulations to its housing statutes; future OMB amendments would apply to PHAs automatically. OMB intends to finalize the rule with an effective date of **October 1, 2026**.

WHAT IT WOULD MEAN FOR PHAS

- **Political review of awards:** senior HUD political appointees must review all discretionary awards for alignment with the President's policy priorities and cannot defer these decisions to career staff
- **Broad termination authority:** awards may be terminated as “inconsistent with agency priorities” or “no longer in the national interest” at the discretion of the awarding agency
- **DEI and equity prohibitions:** bars federal funds for services, hiring, and procurement framed around equity, and prohibits disparate-impact standards
- **Payment friction:** recipients must be verified through Treasury's Do Not Pay system and would require recipients and subrecipients to submit written justifications with each payment request
- **E-Verify mandate:** required for all recipients' and subrecipients' employees
- **Membership and subscription limits:** PHAs would need HUD permission to join trade associations and travel requests, and could not use federal funds for professional publications
- **Fixed-amount awards eliminated** unless authorized by statute; this targets competitive, discretionary grants such as Choice Neighborhoods, which are awarded as fixed amounts
- **Expanded pass-through liability:** PHAs would bear greater obligations for their subrecipients

HOW CLPHA IS RESPONDING

CLPHA has analyzed the rule, which affects grantees far beyond housing, including the defense, technology, healthcare, and research sectors, reflecting its reach across all federal grantmaking. CLPHA will submit comprehensive comments on behalf of the membership and is exploring opportunities to partner with industry counterparts on advocacy strategies.

WHAT YOUR PHA CAN DO

- **Submit your comments before July 13.** Individual PHA comments build the public record, and OMB must respond to each substantive comment.
- **Personalize your comments.** Describe the specific harms to your PHA and community in your own words and cite section numbers. Identical form letters are counted as a single comment.
- **Engage your congressional delegation.** Share this alert with your partners; they can comment too. Coordinate your outreach with CLPHA Legislative Manager, [Cynthia Cuestas](#).

How to Comment on Proposed Changes to Federal Grant Rules

Q: Who can submit a comment?

A: Anyone: executive directors, board members, staff, residents, and partners. No legal or policy expertise is needed. Commenting is free.

Q: How do I submit a comment?

A: Go to www.regulations.gov/docket/OMB-2026-0034 and click the “Comment” button. You can type up to 5,000 characters or attach a letter on your PHA's letterhead.

Q: What should my comments say?

A: Use a simple four-part structure: (1) who you are, including your PHA and the units, vouchers, and programs you administer; (2) the specific provisions that concern you, by section number; (3) the concrete harm to your operations, funding, partners, and residents; and (4) what you want OMB to do. Three clear paragraphs are sufficient.

Q: What makes a comment effective?

A: Be specific (name the section and the harm), personal (describe your own PHA's situation), and factual (quantify dollars at risk and compliance costs where you can). One substantive comment in your own words carries far more weight than a standard form letter response.

Q: Will my comment be public?

A: Yes. Your comment, along with your name and organization if provided, is posted publicly on regulations.gov. Do not include personal information you want kept private.

Q: What happens after July 13?

A: OMB will review the comments and publish a final rule, intended to take effect October 1, 2026. OMB must respond to all significant comments, and a strong comment record supports any future legal challenge.

Q: Can I submit comments late?

A: Late comments are considered only “to the extent practicable” and may be ignored. Submit before 11:59 PM ET on July 13, 2026. We highly recommend submitting comments as early as possible to ensure they are received.

Q: What else can my PHA do?

A: Contact your members of Congress and ask them to oppose the rule. Share this alert with your partners and subrecipients. Please send CLPHA a copy of your submitted comments; it helps us coordinate the industry response.

Questions? Contact CLPHA Director of Policy & Legislative Affairs, at jscott@clpha.org.

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