Key Provisions of OMB's Proposed Uniform Grants Regulation: What They Mean for PHAs

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Cite the section number(s) below when describing specific concerns in your PHA's comments.

Provision	Section(s)	What the Rule Would Do	What It Means for PHAs
Who Controls Funding			
Program design aligned with administration priorities	§ 200.202	Federal agencies must design programs with goals that "align with administration policies and priorities." Also removes prior guidance requiring community engagement during program design.	Program requirements could shift substantially with each administration, making multi-year planning harder. HUD programs PHAs administer would be designed around presidential priorities rather than community input.
Political appointee pre-issuance review	§§ 200.204 - 206	Senior political appointees must review and approve every discretionary award before issuance for consistency with law, agency priorities, and "the national interest," and may not defer to career staff recommendations.	Awards could be rejected on criteria beyond statutory requirements, with no required notice of the reason and no appeal. Competitive HUD awards would carry new political uncertainty.
Agencies can change award terms mid-stream	§§ 200.340–343	Agencies may add or remove specific award conditions throughout the period of performance, including switching from advance payment to reimbursement, added monitoring, and new prior approvals.	A PHA could face materially different requirements than when it accepted the award, including cash-flow strain if payments convert to reimbursement mid-grant.
Termination of discretionary awards	§§ 200.340	Awards may be terminated, in whole or part, if the agency determines termination is "in the interest" of the agency, including that the award no longer effectuates program goals, agency priorities, or the national interest "as they exist at the time of the termination." Awards may also be suspended up to 90 days. No hearing or appeal is required for discretionary terminations.	Multi-year awards could be terminated mid-performance because priorities changed, including awards made under a prior administration, creating financial, legal, and planning risk for development and services programs.
How PHAs Get Paid			
Written payment justifications	§ 200.305	Non-state recipients must provide written justification describing activities and milestones with each payment request.	New administrative burden on every drawdown, for PHAs and their subrecipients, potentially slowing access to funds.
Do Not Pay verification	§§ 200.305	Agencies must verify recipient eligibility through Treasury's Do Not Pay (DNP) System before disbursing funds.	Added friction and potential delay at the point of payment; errors in federal data systems could hold up disbursements.
Elimination of fixed-amount awards	§§ 200.201 & 200.333	Fixed-amount awards and subawards are eliminated unless authorized by statute; awards shift to actual incurred costs.	Directly affects competitive programs awarded as fixed amounts, such as Choice Neighborhoods, and increases financial reporting burden.
Executive Orders incorporated into regulation	Various parts of 2 CFR	Funding conditions drawn from 2025–2026 Executive Orders would be embedded as binding regulatory requirements in all federal awards.	Conditions currently subject to litigation would become standard award terms PHAs must accept to receive funds.

New Compliance Obligations			
E-Verify requirement	§§ 200.303(f)	All recipients and subrecipients must participate in DHS's E-Verify program for employees and contractors working under a federal award.	New enrollment, verification, and documentation obligations for PHA workforces and those of subrecipients and contractors.
Subrecipient compliance and reputational risk	§ 200.332	Pass-through entities must ensure each subrecipient complies with subaward terms and does not take actions that could "significantly damage the reputation" of the pass-through entity, agency, or federal government, and must consult the agency on termination if so.	PHAs bear expanded liability for partners' conduct under an undefined reputational standard, discouraging partnerships and increasing monitoring costs.
Buy America provisions	§ 200.322	Agencies must include grant terms and conditions maximizing the purchase of American-made products.	Procurement for capital and modernization work could face higher costs and sourcing constraints.
Prohibited foreign equipment	§§ 200.216, 200.220	Prohibits using award funds for covered foreign telecommunications, video surveillance equipment, drones, and covered foreign collaborations deemed national security risks.	PHAs would need to screen technology purchases, including building security systems, against covered-equipment lists.
Mandatory disclosures to D.C. U.S. Attorney	§ 200.113	Recipients must disclose credible evidence of federal criminal law and civil False Claims Act violations; agency Inspector General must transmit disclosures to the U.S. Attorney's Office for D.C. within 10 days.	Compliance findings would move to prosecutors on a fixed timeline.
What PHAs Could No Longer Fund			
Disparate-impact prohibition	§ 200.218	Agencies and recipients must eliminate use of disparate-impact liability in all contexts relevant to federal awards; award funds may not support disparate-impact studies, litigation, or related activities.	Constrains how PHAs analyze and address disparities in housing programs, even where courts have upheld disparate-impact standards under the Fair Housing Act.
DEI and equity-framed activities	§ 200.300	Awards may not fund, promote, or facilitate "illegal DEI," "gender ideology," or gender transition of a person under 19; removes provisions barring discrimination based on sexual orientation or gender identity. "DEI" is not defined.	Services, hiring, and procurement framed around equity could be disallowed costs; undefined terms leave PHAs guessing where the line falls.
Voter registration and issue advocacy	§ 200.450	Award funds may not be used for voter registration campaigns or drives, issue advocacy unrelated to the award's statutory objectives, or attempts to influence state executive branches.	Chills lawful nonpartisan resident-engagement activities and may conflict with the National Voter Registration Act obligations of some programs.
Trade associations, memberships, subscriptions	§§ 200.407, 200.454	Requires prior written federal approval for membership in professional, technical, civic, or business organizations; removes allowance for civic/community organization memberships; bars membership in organizations whose primary purpose is lobbying or issue advocacy; professional publications not allowable.	PHAs would need HUD permission to join associations such as CLPHA and could not use federal funds for industry publications that support professional practice.

Sources: Regulation for Federal Financial Assistance, Federal Register (May 29, 2026); National Council of Nonprofits, "Proposed Changes to the OMB Uniform Guidance" (updated June 8, 2026). Prepared by CLPHA for informational purposes only; not legal advice.