

HUD's Proposed Rule to Cut Housing Benefits

On February 27, 2026, the Department of Housing and Urban Development (HUD), published notice of proposed rule which is expected to be published in the Federal Register on March 2, 2026, and which will allow for the implementation of time limits and work requirements in most types of HUD-funded rental housing: [Establishing Flexibility for Implementation of Work Requirements and Term Limits](#). This proposal could result in millions of renters losing their housing assistance and will worsen housing stability, [as detailed in this fact sheet](#). The public can submit comments on the proposal by Friday, May 1, 2026. After public comments are submitted, HUD will review the comments, then decide whether to adopt the proposed rule, adopt a modified version of the proposed rule, or withdraw the proposed rule.

Which federal housing subsidies does the proposed rule apply to?

- [Public Housing](#) – Housing owned and operated by a Public Housing Authority (PHA)
- [Housing Choice Voucher Program](#) (HCVP) – Section 8 vouchers administered by PHAs (certain Special Purpose Vouchers are exempt from the proposed rule)
- [Project-Based Vouchers](#) (PBV) – Vouchers administered by PHAs for specific properties
- [Project-Based Rental Assistance](#) (PBRA) – Vouchers for specific privately-owned properties

What is allowed under the proposed time limit rule?

PHAs and PBRA Owners could implement a policy limiting the amount of time a family is eligible to receive housing assistance. Time limits could be as short as two years. PHAs and PBRA owners would be required to create and implement their policies through the required planning processes. The time limit policy could allow for termination of assistance and eviction after a family reaches the time limit. The time limit policy could not be applied to a family who has a head of household who is elderly (62 years or older) or disabled.

What is allowed under the proposed work requirements rule?

PHAs and PBRA Owners could implement policies to require all “work-eligible adults” in a family to spend up to forty hours per week either working or looking for work and reporting to their landlord. The work requirement policy could allow for termination of assistance and eviction if a work-eligible adult does not follow the policy. The policy applies to everyone in the family who is aged 18-61, but could not be applied to non-elderly adults in the family who are: disabled, pregnant, the primary caretaker for a child under six, the primary caretaker for a disabled family member, or enrolled in secondary education.

What additional requirements are in the proposed rule?

PHAs and PBRA Owners who implement a time limit or work requirement policy must also create a hardship policy. PHAs and Owners who choose to adopt work requirement or time limit policies must provide some type of “supportive services” to families, although HUD will not provide any funding for these services. Many of the qualifying supportive services, such as a referral to a local job center, are not meaningful services. HUD will not be doing any new monitoring of PHAs or PBRA Owners to see whether they are complying with the supportive services or other requirements. PHAs and PBRA Owners are explicitly allowed to implement different time limit policies and different work requirement policies for different properties they own. HUD will not be monitoring the fair housing implications of these different policies, and instead places all responsibility for fair housing compliance on PHAs and PBRA owners.

How can I comment on the proposed rule?

NHLP will be providing a comment guide and template to follow when submitting comments on the proposed rule. All written comments are submitted online, and the anticipated deadline to submit comments is Monday, May 1, 2026, at 11:59pm Eastern. If you have questions about the proposed rule, your comments, or the commenting process, please contact Korey Lundin at klundin@nhlp.org.

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