NHLP Housing Oversight Recommendations for the Senate in the 120th Congress

The National Housing Law Project's mission is to advance housing justice for poor people and communities. We achieve this by strengthening and enforcing the rights of tenants and low-income homeowners, increasing housing opportunities for underserved communities, and preserving and expanding the nation's supply of safe and affordable homes.

The following is a list of issues and challenges federal housing programs face. Some reflect long-standing issues of underfunding, understaffing, or misinterpretation or misapplication of law. Others are a direct result of the Trump Administration's assault on the social safety net, BIPOC individuals and families, immigrants, and other marginalized populations. NHLP believes that Congress should vigorously exercise its oversight responsibilities to ensure federal programs are poised to answer the affordable housing crisis and protect the civil rights of all people.

The recommendations are organized by committee and subcommittee jurisdictions, but priorities include illegal impoundment or misuse of congressionally appropriated funds, costly and wrongheaded attacks on immigrant and poor families, and the decimation of HUD's civil rights enforcement division.

Oversight Hearings

Senate Committee on Appropriations

Subcommittee on Transportation, Housing, and Urban Development

- US Department of Housing and Urban Development (HUD) Staffing and Operational Challenges
    - Given the recent GAO Report on HUD's 2025 workforce and spending challenges, Appropriators should demand transparency from the Administration concerning ongoing functionality at HUD headquarters, regional, and field offices. The GAO audit and report was completed without HUD's participation, and the Subcommittee should use its Special Oversight Functions[i] to further investigate HUD's 29 percent reduction of its staff in 2025, and considerations that led HUD to issue only about half of its congressionally appropriated funding awards to grantees.

        - Notably, the report highlights widespread confusion amongst HUD staff, significant loss of senior staff with institutional knowledge, communications issues, administrative delays, and delayed physical inspections of properties in HUD's portfolio.
        - The Subcommittee should interview witnesses, including individual single-family mortgage borrowers and mortgage seekers, HUD-approved multi-family lenders, Section-8 participating landlords and owners, multifamily owners, PHAs, and other stakeholders in HUD's functionality to determine the extent of damage 2025 reductions have impacted operations.
        - The Subcommittee should determine whether the proposed sale of the Robert C. Weaver Federal Building is fiscally responsible and appropriate given difficulty addressing distressed conditions and/or finding an appropriate buyer. Now that the proposal has been withdrawn, Congress should determine if GSA's attempted sale of the building was outside of the scope of its authority.
    - The Federal Housing Administration (FHA)
        - The Subcommittee should probe whether FHA currently has the capacity to oversee all the lenders, servicers, and mortgage insurance programs necessary to serve its mission.
        - Considering the Administration's revisions to loss mitigation strategies and the loss of staff, it is especially important to understand if FHA is still able to provide timely and effective foreclosure prevention and adequately staff the National Servicing Center
        - The OIG conducted an audit on the effectiveness of HUD's Home Equity Conversion Mortgage (HECM) program's Life Expectancy Set Asides (LESA). The LESA is a set aside portion of the HECM mortgage that makes property tax, hazard insurance, and flood insurance payments on behalf of certain financially vulnerable borrowers. LESA amounts are depleting in significantly less time than HUD estimated. This means that borrowers will need to begin making property charge payments out of pocket. If borrowers in the program cannot make these payments, HUD could use as much as $258 million. The Subcommittee should examine HUD's calculations and ensure that the program supports borrowers and is cost effective for taxpayers.
    - Office of Fair Housing and Equal Opportunity (FHEO)

        - The decimation of the staff and lawful mission of FHEO has been widely reported after deeply concerning whistleblower complaints.
            - Further concern about the Administration's management of the department has been stimulated by memos, statements, or guidance from HUD.
        - NHLP has specific concerns about the department's ability to meet VAWA enforcement requirements per VAWA 2022.
        - NHLP supports the recommendations of the Leadership Conference on Civil and Human Rights' Fair Housing and Lending Task Force for detailed oversight of Fair Housing issues.
- Improper Withholding and "Pocket Rescissions" of Congressionally Appropriated HUD Funds
    - The National Alliance to End Homelessness and other parties are engaged in ongoing litigation to protect Homeless Assistance Grants from mandated sobriety and work requirements for unhoused people, the elimination of evidence-based harm reduction services, and the imposition of ideological conditions on homelessness policy. Appropriators should examine whether HUD has overstepped the scope of its authority to change programming that has statutory requirements issued by Congress.
    - Similarly, The National Fair Housing Alliance and the Massachusetts Fair Housing Center have sued to protect Fair Housing funding, specifically Fair Housing Initiatives Funding (FHIP), from overhaul and restrictions. Appropriators may consider further investigation into the challenges or should include language in future spending bills that reinforces HUD's court-ordered obligation to issue a clean NOFO for FHIP funds.
    - The Administration recently attempted a "pocket rescission" of $56M in housing counseling grants. GAO ruled this was a violation of the Impoundment Control Act, and multiple lawsuits have resulted in temporary orders preventing the clawback. Appropriators should probe why the Administration continues to propose these unconstitutional rescissions of congressionally appropriated funding.
- Further Ideological Impositions on Congressionally Funded Grants and Programming
    - In 2025, HUD announced it was removing all non-English materials from circulation and its website. Under Title VI of the Civil Rights Act (PDF), federal agencies are required to ensure their programs, activities, and grant recipients provide meaningful access to households with limited proficiency in English. HUD and its grant recipients were tasked with creating language

access plans (PDF) to assess their service populations' language needs, identify available assistance options, and determine additional services needed to provide adequate access. It is imperative to understand if these language access changes and removals exceed the scope of HUD's authority and/or contradict any statutory mandates for HUD grants or programs.
        - HUD's translations of key documents are important to helping renters stay compliant with voucher and other program requirements and homeowners in distress pay their debts and keep their homes. Removing these guidelines could increase multilingual renters and owners at risk of losing assistance or defaulting on their loans and experiencing unnecessary foreclosures.
    - HUD's Notice of Proposed Information Collection, which would mandate that PHAs report on their compliance with the Administration's priorities including "gender ideology," EOs targeting immigrants, and other ideological policies was never operationalized, but still poses a distinct threat to PHAs' funding.
    - The Office of Management and Budget (OMB) Proposed Regulation for Federal Financial Assistance
        - Any approach to preventing a final rule should be considered from a whole of government approach, but it is important to understand the specific implications for housing funding.
        - One major question is how this regulation may impact PHA's Annual Contributions Contracts.
        - Congress must also determine whether HUD is attempting to implement OMB's proposed regulations through other means including the new HUGS system and/or Project Voucher.
- The Growing PHA Shortfall Crisis
    - The share of PHAs that face operating shortfalls has been growing, jumping from about 5% of all PHAs in 2023 to nearly 25% in 2024. Given surging rental costs across the country, multi-year federal funding offsets, proration adjustments, and underfunded administrative fees and public housing operating funds, PHAs are struggling, and tenants are being harmed as a result. In fact, as more PHAs face shortfall and are unable to issue turnover vouchers to new families, waitlists across the country are stagnant or growing.

        - The Subcommittee should commit to a significant increase in administrative fees, operating budgets, and voucher funding to reverse this increasing crisis.
        - The Subcommittee should also probe how the Administration's various actions may have exacerbated this crisis, and whether HUD's shortfall prevention team is adequately staffed to serve PHAs in need of assistance.

Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

- US Department of Agriculture (USDA) Staffing and Operational Challenges
    - Given the significant number of staffing reductions at USDA, the subcommittee should demand transparency from the Administration concerning ongoing functionality of the Rural Housing Service and its obligations for operating the single-family and multi-family housing portfolios, including:
        - Section 502 direct loan servicing, by investigating increases in serious servicing errors and delays in response times for addressing and resolving borrower inquiries;
        - RHS staff tri-annual supervisory visit obligations (i.e. tenant file and compliance reviews); and
        - MFH property specialist property assignments.
- Improper Withholding or Mismanagement of Congressionally Appropriated Funding
    - The Section 502 Single Family Housing Direct Loan Program is the only federal program of its kind and the most targeted homeownership mortgage product in the country. The Subcommittee should investigate whether USDA's recent activities (or lack thereof) represent an illegal impoundment of the 502 program's funding.
        - In February of 2026, USDA made revisions to its 502 handbook that contributed to a near shutdown of loan making.
            - For the ten fiscal years before FY 26, USDA averaged $1.01 billion across more than 5,400 Section 502 loans and spent every dime Congress appropriated. In FY 26, USDA obligated only $568 million for 2,115 Section 502 loans, an astonishingly poor performance compared with previous years.
    - USDA's rural housing vouchers are funded on an annual basis. At the end of FY25 and the end of FY26, voucher holders in various states received letters stating that their vouchers could not be renewed due to a lack of funding, but

USDA has not requested an increase in funding for the program. The Subcommittee should determine how many voucher holders have received non-renewal letters in the past two years, why USDA has not requested increased funding for the program, and how much money is needed to fully fund the renewal of existing vouchers.

Senate Committee on Banking, Housing, and Urban Affairs

Subcommittee on Housing, Transportation, and Community Development

- Preserving and Expanding Federally Backed Affordable Housing
    - HUD's multifamily housing portfolio has suffered from disinvestment, and the portfolio requires significant repair to be preserved. The Subcommittee should do an assessment of owners and properties within the portfolio to understand the capital needs, create new mechanisms for accountability for owners of failing properties before they're debarred from HUD programming, and ensure HUD-backed housing is habitable.
        - The Secretary has authority to increase rents for specific properties preserved under the Mark-to-Market program to provide capital for property repairs, but HUD has not effectively utilized this tool, perhaps due to funding constraints. The Subcommittee should examine the ongoing need for repairs in Mark-to-Market properties, and evaluate if additional funding or departmental policy and practice changes are necessary to preserve decent and affordable housing.
        - HUD's primary enforcement mechanism for failing properties is to terminate the subsidy contract and give tenants vouchers, despite fair housing implications and concerns about voucher utilization in difficult markets. The Subcommittee should examine how HUD can better utilize preservation tools that help failing properties meet conditions standards *before* the agency needs to terminate subsidy contracts to maintain the health of the portfolio.
            - The Subcommittee should support restoring stronger appropriations language (general provisions that were softened in 2016) that require HUD to take additional enforcement action when properties continue to be noncompliant with HUD's habitability standards.
    - It is imperative that we have a detailed accounting of the capital backlog for Public Housing repairs with data provided directly from HUD. Estimates from outside experts and researchers have grown significantly in recent years,

and Congress does not seem to be increasing payments for preservation. Preserving existing affordable housing will always be less costly than building new units, and Public Housing is an essential component of the U.S.'s overall housing infrastructure – serving families and individuals on fixed or very low incomes, many of whom are older adults or have disabilities.

- The Subcommittee should propose a plan to examine and assess existing Public Housing stock and make sweeping investments to preserve remaining units.
- This is especially important considering that the Administration has proposed reforms to Section 18 that would significantly speed up and increase HUD's demolition and disposition of Public Housing across the country, requiring the rehousing of millions of public housing families.
    - The Subcommittee should request detailed accounting of tenants' relocation outcomes, their ability to maintain new tenancies and assistance after relocation, and the fair housing implications.
- HUD has stopped reviewing any fair housing implications for the demolition, disposition, and conversion of Public Housing, which is an abdication of their legal obligation to affirmatively further fair housing. The Subcommittee should examine whether HUD is obligated to continue conducting civil rights assessments before PH loss and should request fair housing data from HUD on all RAD, Section 18, and Section 22 applications and approvals.

- USDA continues to lose a significant number of 515 properties through loan prepayments despite Congress passing the Emergency Low Income Housing Preservation Act (ELIHPA) which imposes prepayment restrictions on Section 515 properties financed prior to December 14, 1989, and places prepayment restrictions on all properties financed after December 14, 1989. 515 properties are often the only source of affordable rental housing in a rural community. The Subcommittee should determine to what extent USDA is permitting prepayments for properties that are not eligible to prepay, including through noncompliance with ELIHPA's requirements.
- The Subcommittee should examine the potential for FHFA to better monitor and regulate conditions in FHFA-backed multifamily properties.

    - The Subcommittee should consider examining conditions in private-market, naturally occurring affordable rental housing, and determine if Congress has the potential to better ensure habitability for all tenants.
- Improving Housing Choice Voucher (HCV) Outcomes for Tenants
    - The subcommittee should be pursuing opportunities to increase landlord participation in the HCV program and examining where HUD's outreach efforts are insufficient and what policies (statutory or regulatory) could be improved to reduce lease-up time, increase the value of vouchers in the private market, and ensure stable tenancies.
    - The Subcommittee should conduct an evaluation into how to effectively progress from our current situation – serving 1 in every 4 families who need a voucher – to provide universal assistance to every family in need.
- HUD's Immigration-related Proposals
    - The Subcommittee should investigate HUD's rollout of the EIV-SAVE tenant matching report and determine the administrative burdens that it has created for PHAs and project owners as well as the risks to the housing of existing HUD residents. The Subcommittee should be concerned with reports about the accuracy of the SAVE system's results, particularly instances where it HUD tenants have been threatened with evictions and subsidy terminations due to alleged inconsistencies between HUD and DHS data. In addition, the Subcommittee should probe the full risks to the privacy of resident data when HUD matches its own records with DHS records.
        - Furthermore, HUD's authority to create the EIV-SAVE report is questionable because, among other reasons, it preceded HUD's promulgation of its proposed mixed status families rule, which proposed to overhaul the process for verifying immigration and citizenship status for HUD residents and applicants.
    - HUD's own analysis of its proposed rule for mixed status families states that the rule's changes will reduce the supply of HUD-assisted housing for everyone and ultimately divert PHAs' limited resources away from their core mission of providing affordable housing, which will worsen the affordable housing crisis. The Subcommittee should probe HUD's cost-benefit analysis, especially to understand the ultimate impact of the rule on housing supply.
    - In March 2025, HUD and the Department of Homeland Security (DHS) entered into a "memorandum of understanding" to share HUD data, but the full scope of this agency collaboration has not been clear. The Subcommittee should probe the degree to which these agencies are sharing

information with one another and whether the privacy and security of HUD residents are at risk.

- HUD's Work and Dignity Coalition
    - HUD has been asking PHAs to sign up for its Work and Dignity Coalition to show support for the Administration's plans to allow harsh work requirements and time limits in federally subsidized housing. HUD claims participation in the coalition is voluntary, but PHAs report pressure from headquarters to sign up, and some PHAs have noted that they appear on HUD's list of participants without having signed up. Further, HUD has added pressure to join the coalition by rewarding PHAs who sign up by including membership in the Coalition in a grant application for their Family Self-Sufficiency program and for the Resident Opportunity and Self-Sufficiency – Service Coordinator grant.
        - The Subcommittee should examine whether HUD is applying improper pressure or using inappropriate grant requirements to coerce PHAs to participate in the coalition or in the application of discretionary work requirements or time limits in their programs.
- The Subcommittee should examine the rapid expansion of junk fees as profit opportunities for landlords, private equity and large corporate investments in the rental housing market, high costs for screening and application to rent, and significant increases to rent that are far outpacing wage growth.

Oversight Investigations

Senate Committee on Homeland Security and Governmental Affairs

- The Committee should investigate how the drastic staff cuts and dramatic decrease in supervision and enforcement activity at the Consumer Financial Protection Bureau have allowed predatory financing products that target seniors and other financially vulnerable homeowners to proliferate.
    - Examples include home equity investment/shared appreciation loans and various forms of home improvement financing marketed by contractors and other unlicensed brokers.
- The Committee should investigate how the consolidation of rental property ownership, including through purchases of lot-lease manufactured housing communities, under a handful of large corporate owners and the involvement of private equity contributes to high eviction rates and rising rents, and what actions

the federal government could take to reign in practices that contribute to these trends by corporate actors.

Government Accountability Office (GAO)

- Congress should consider requesting the following studies from the Government Accountability Office:
    - A study on the physical condition of the Department's multifamily housing portfolio, the Department's use of enforcement tools, the Department's preservation efforts, and the consequences of the Department's oversight on the preservation of this portfolio as decent and safe. The report should also explore owners' experiences of securing capital to preserve these properties.
    - A study on the condition of USDA's MFH portfolio, including the incidence of borrower defaults due to failing to maintain the project in a decent, safe, and sanitary manner, and the outcomes of any findings of default, including workout agreements, loan accelerations, and foreclosures.
        - In 2023, USDA launched a new physical inspection process using the physical inspection report form developed by the Mortgage Bankers Association. Have they been able to inspect all properties in the MFH portfolio since launching the new inspection process? If not, when do they expect to complete inspections for the entire portfolio?
    - HUD still does not collect nor publish PHA success rates, which is an important measure of how easily families are leasing up with a voucher. HUD should answer to the failure to collect this data and perform a study on how PHAs can improve voucher utilization and success rates, improve landlord participation in the HCV program, and protect voucher-holders from subsidy loss resulting from barriers to lease-up outside of their control.
    - Studies show that public housing authorities account for a disproportionately high share of eviction cases.[ii] GAO should conduct a study on eviction rates from public housing by public housing authorities and how they compare to eviction rates from private housing. The report should seek to understand the reasons for higher eviction rates and recommend best practices for reducing eviction rates from public housing. The study should also examine ways in which HUD rules, policies, or PHA scoring systems may contribute to higher eviction rates.
    - A study of how much money the CFPB's recent decisions to drop enforcement actions and/or repudiate settlements with financial institutions

has cost consumers who would otherwise have received restitution payments.

Field Hearings and Site Visits

- Members or Committees should conduct site visits to HUD-backed MF and Public Housing with failing conditions. These visits should include face-to-face conversations with local tenants and organizers
- Members should conduct local hearings about preserving naturally occurring affordable housing, including lot-lease manufactured housing communities, in their communities.
- Members should conduct local hearings about or investigations into predatory or noncompliant landlords with large portfolios in their communities.
- Members should meet with tenant organizations at public housing and HUD-assisted MF properties to assess PHA and owner compliance with organizing protections in 24 C.F.R. parts 964 and 245, and to identify any barriers to tenant participation.
    - Members should also seek out and meet with tenant unions involved in negotiations with HUD-assisted landlords to learn more about HUD's involvement in these negotiations and whether HUD staff present any barrier to successful negotiations and/or approval of negotiated agreements.

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[i] Rule X, Clause 3, Section 744 of the Rules of the House of Representatives
[ii] No Safe Harbor: Eviction Filing in Public Housing, https://doi.org/10.1086/725777