



The Trump Administration's Funding Freeze Creates Hardship for Critical Fair Housing Programs

Background

On January 27, 2025, the Trump administration's Office of Management and Budget (OMB) issued a [memorandum](#) to all federal departments and agencies, including the U.S. Department of Housing and Urban Development (HUD), instructing them to temporarily halt funding for federal contracts and grants (note: a [federal judge](#) temporarily paused this funding freeze through Monday, March 3, 2025). With less than one day's notice, the White House acted to freeze federal grant, loan, and assistance payments, including funding for local fair housing agencies despite the agencies providing essential assistance to vulnerable populations—**seniors, families with children, victims of domestic violence, people with disabilities, and others in dire need**—and requiring assistance with addressing claims of housing discrimination or support in securing safe, decent, and affordable housing.

As the nation's fair and affordable housing crisis is impacting millions, OMB's directive places critical funding in jeopardy for the Fair Housing Initiatives Program (FHIP), Fair Housing Assistance Program (FHAP), and other vitally necessary housing programs. The FHIP was created in 1987 under the Reagan administration to establish and support a network of highly experienced private fair housing enforcement organizations throughout the nation to foster compliance with the Fair Housing Act and state and local fair housing laws through enforcement and education. The FHAP was established as part of the landmark Fair Housing Act of 1968, which passed seven days after the horrific assassination of Dr. Martin Luther King, Jr., and fosters cooperation between HUD and state and local agencies that enforce state and local fair housing laws that are substantially equivalent to the Fair Housing Act. The FHIP and FHAP are key to enabling HUD to carry out its obligation and Congressional mandate to enforce the Fair Housing Act and ensure fair housing policy is the national policy of the United States.

Implications for Fair Housing

The National Fair Housing Alliance's (NFHA) [2024 Fair Housing Trends Report](#) shows that housing discrimination complaints reached an all-time high, with discrimination based on disability accounting for the majority of the complaints filed. The report also highlighted that private fair housing agencies investigate most of the complaints filed by consumers – over 75 percent of complaints are handled by local fair housing organizations working in communities throughout the nation and funded by the FHIP. Halting funding of these grants means that direct assistance cannot be provided to people who are facing potential discrimination. It also means that these organizations, with whom a substantial portion of their organizational budgets come from HUD grant programs, will face difficult decisions, including halting vital programs and services, laying off staff, or being forced to shut down and close.

Hear directly from those who have been impacted by OMB's freeze on agency grant, loan, and other financial assistance programs:

Fair Housing Center for Rights and Research
Cleveland, OH



"If the freeze on federal grants and loans is allowed to move forward, more than half of our funding could be in jeopardy. This will have devastating and wide-reaching impacts, halting vital programs and services, including impacting our ability to continue to provide fair housing assistance, support victims of racial discrimination by prospective landlords, support victims of sexual harassment by their housing providers, and support people with disabilities who are seeking reasonable accommodations. To date, we have been forced to pause some of our educational and outreach efforts, including a PSA campaign scheduled to begin in February. We've also paused our fair housing testing program under the FHIP-PEI (Private Enforcement Initiative) grant. Without continued funding, our ability to continue protecting fair housing rights and fight housing discrimination in our communities will be severely limited." – **Carrie Pleasants, Executive Director**

Fair Housing Resource Center, Inc.
Painesville, OH



"98 percent of the funding for the Fair Housing Resource Center (FHRC) comes from HUD. The entirety of services FHRC provides are at risk of closure due to the payment freeze. FHRC is still waiting for payment of \$175,000 that is owed to FHRC for work completed under multiple grants. A specific example is the FHRC's HOME grant, which currently provides rental subsidies for 21 households comprised of seniors and persons with disabilities. Without access to the funds, these households are at risk of becoming homeless. The FHRC provides a myriad of other programs and serves an average of 325+ households per month in the Lake, Geauga, and Ashtabula Counties of Ohio. These households include families, seniors, veterans, and persons with disabilities. The FHRC has provided these services for more than 25 years." – **Patricia Kidd, Executive Director**

Fair Housing Center of Northern Alabama
Birmingham, AL



"Due to the lack of local funding for fair housing in our 29 counties service area, the withdrawal of federal support would completely curtail our services. With most of our counties being classified as rural, with large elderly populations of nearly 11 percent or more, counties listing at least 17 percent of their residents as disabled, and with a large community of disabled veterans, there is a real need for funding for fair housing. This population represents at least 75 percent of the complaints we receive, most of which are denials for reasonable accommodations. The Fair Housing Center of Northern Alabama averages 12 to 15 inquiries per day of residents who are seeking assistance. With a current roster of at least 20 active cases remaining to be investigated, not including cases currently under investigation, the lack of funding would be devastating. Cases would remain unresolved, and citizens of our service area would encounter housing discrimination with little to no recourse. The denial of a reasonable accommodation would jeopardize the health and welfare of vulnerable persons." – **Lila E. Hackett, Executive Director**

Northwest Fair Housing Alliance
Spokane, WA



“The Northwest Fair Housing Alliance (NWFHA) has unpaid expenditures of \$128,729 for grant activities already conducted, pre-paid out of our own operating expenses pursuant to reimbursement agreements with HUD. This is about three months of salaries, taxes, and benefits (e.g., health insurance) for 5 full-time employees and 1 part-time employee. The unlawful efforts to stop payment on grant funds already earned threaten NWFHA’s ability to serve our community or even exist. For over two decades NWFHA has been awarded competitive performance-based HUD grants to fund our work in Eastern and Central Washington State. Currently, NWFHA has HUD grant applications pending which are essential to the continuation of our services after current grants end on June 14, 2025. Freezing already appropriated and awarded Federal grant funds is against the law, cruel, reckless and dangerous for families and vulnerable people. Without continued federal support NWFHA will be unable to assist the hundreds of people who seek our help accessing and retaining housing.” - Marley J. Hochendoner, Executive Director

For more information, please contact Monica Reid at mreid@nationalfairhousing.org.