July 31, 2025 | Federal Policy Update

In this Update

Following the passage of H.R. 1, Congress has made progress on advancing housing policy through both the appropriations and legislative processes at the federal level

Relevant Housing Bills
- *Road to Housing Act of 2025* moves to the Senate floor

Appropriations
- House subcommittee introduces CDFI fund allocation
- Senate Appropriations Committee releases draft THUD bill, with significant investments in HUD programs, but elimination of Emergency Housing Vouchers (EHV)
- With appropriators needing to reach a funding agreement by October 1, we must urge Congress to reject the deep cuts proposed by the House

Other News
- NLIHC releases their 2025 Out of Reach Report

Read on for our full breakdown!

Senate Housing Bill: Road to Housing Act Passes Senate Committee on Banking, Housing and Urban Affairs

On July 29, the U.S. Senate Committee on Banking, Housing, and Urban Affairs voted unanimously to advance the bipartisan *Road to Housing Act of 2025* — marking the committee's first bipartisan housing markup in more than a decade. The legislation, led by Chair Tim Scott (R-SC) and Ranking Member Elizabeth Warren (D-MA), includes proposals from nearly every member of the committee and addresses urgent housing needs nationwide. The bill will now be moved to the Senate floor.

The ROAD to Housing Act of 2025 is a comprehensive proposal, with goals to:
- Expand and preserve housing supply
- Improve housing affordability and access
- Advance accountability and fiscal responsibility
- Improve oversight and program integrity

Read the section-by-section analysis of the act.

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Federal Appropriations Updates

FY26 House Appropriations

Earlier this month, the House Appropriations Committee released their draft Fiscal Year (FY) 2026 Transportation, Housing and Urban Development (THUD) spending bill. You can read our overview of the draft on our website.

More recently, the House Financial Services and General Government (FSGG) Subcommittee allocated $276.6 million for the CDFI Fund in its appropriations bill. This is below the $324 million enacted in FY25, but consistent with last year's House proposal and well above the President's FY26 request, who proposed a $291 million cut.

The funding breakdown includes:

- $170 million for CDFI financial assistance and technical assistance grants
- $33.6 million for administrative expenses related to the CDFI Fund and New Markets Tax Credit (NMTC) Program
- $500 million in Bond Guarantee Program authority

FY26 Senate Appropriations

On July 24, the Senate Appropriations Committee released and approved its FY26 Transportation, Housing, and Urban Development (THUD) spending bill, which provides critical funding for HUD's affordable housing, homelessness, and community development programs. The bill allocates $73.3 billion for HUD—a $3.3 billion increase over last year's flat funding levels and significantly more than the $67.8 billion proposed in the House's draft. The bill passed with strong bipartisan support in a 27–1 vote, signaling widespread commitment to strengthening HUD programs.

The bill includes $33.97 billion for Tenant-Based Rental Assistance (TBRA)—an increase of $1.8 billion over FY25 and the House proposal—but likely still falls short of the amount needed to renew all existing contracts fully.

The bill does not include funding to continue the Emergency Housing Voucher (EHV) program, which currently serves more than 59,000 households who have previously experienced

homelessness or housing instability. Without additional funding or integration into other voucher programs, these households face a high risk of losing their assistance and returning to instability or homelessness.

Additional key provisions in the Senate bill include:

- $4.53 billion for Homeless Assistance Grants (HAG)—a $479 million increase, compared to a $107 million increase in the House bill
- Increased funding for Project-Based Rental Assistance (PBRA), Section 202 housing for the elderly, Section 811 housing for people with disabilities, and the HOPWA program
- $1.25 billion for the HOME Investment Partnerships Program—maintaining FY25 levels and rejecting the House's proposed elimination
- $86 million for fair housing programs—preserving level funding and avoiding the House's proposed deep cuts

With both the Senate and House FY26 THUD spending bills now introduced, appropriators must reconcile differences between the two and reach a final funding agreement by October 1, the start of the new fiscal year. Without an agreement, Congress will need to pass a continuing resolution (CR) to maintain funding temporarily or face the possibility of a partial government shutdown. Read more.

Take action!

- Read more and join NLIHC's campaign urging Congress to enact FY26 spending bills that reject cuts to HUD programs and instead provide the highest level of funding possible.
- Using NLIHC's advocacy toolkit, "Opposing Cuts to Federal Investments in Affordable Housing," to call on Congress to protect and expand affordable housing and homelessness resources, including NLIHC's priorities.

Out of Reach Report

The average minimum wage worker in Michigan must work 78 hours per week (2 full-time jobs) to afford a two-bedroom rental home at Fair Market Rent.

Solving our nation's rental affordability crisis requires strengthening our commitment to programs that provide affordable rental housing and rental assistance to low-wage workers and other extremely low-income renters. Learn more about the disparity between the wages people earn and the price of decent rental housing in every state, metropolitan area, and county in the United States in the National Low Income Housing Coalition's Out of Reach Report.