




MEMORANDUM

September 26, 2025

TO: TRIBAL HOUSING CLIENTS
FROM:  Ed Clay Goodman, Caleb J. Norris, and Brenda George
HOBBS, STRAUS, DEAN & WALKER, LLP
RE: ***Tribal Housing Update***

This memo provides a brief update on recent presentations by federal officials on matters related to Indian housing. It also provides an update related to the end of the fiscal year (FY), appropriations, and a possible, temporary government shut down.

1. Office of Native American Programs (ONAP) Grants Management and Evaluation Issues

At the fall meeting of the Northwest Indian Housing Association (NWIHA), two officials from the Northwest Office of Native American Programs (NwONAP) presented on upcoming issues related to grants and appropriations (David Boyd, Grants Management Director; Greg Roe, Grants Evaluation Director). Many ONAP offices, including the NwONAP office, are short-staffed due to personnel changes and reorganization under the new Administration. This may impact the amount of time it takes an ONAP office to process requests.

Mr. Boyd then discussed the current state of pandemic funding, and advised that tribes and tribally designated housing entities (TDHEs) expend those funds as soon as possible. CARES Act funding will expire on 9/30/2029 and American Rescue Plan (ARP) funds will expire on 9/30/30. ONAP is available to provide best practices for the expenditures of these funds.

His presentation also included a brief status update on the state of federal funding. As it stands, the House and Senate have both proposed the following budgets for FY 2026 (but see discussion below regarding current state of appropriations negotiations):

Program	House Appropriation	Senate Appropriation
Indian Housing Block Grant (IHBG)-Formula	\$1.11 Billion	\$1.11 Billion
IHBG-Competitive	\$150 Million	\$100 Million
Indian Community Development Block Grant (ICDBG) (Total)	\$75 Million	\$125 Million
Tribal HUD-VASH	Up to \$10 Million (renewals)	Up to \$10 Million (renewals)

Section 184	\$1.7 Million subsidy/\$1.8 Billion loan limit	\$1.4 Million subsidy/\$1.2 Billion loan limit
Title VI	\$1 Million subsidy/\$50 Million loan limit	\$1 Million subsidy/\$60 Million loan limit
Training and Technical Assistance	\$7 Million (including \$2 Million for NAIHC)	\$7 Million (no specific set aside)

Mr. Boyd also noted that the FY 2025 IHBG-Competitive and ICDBG notices of funding opportunity were just published (as we reported in a prior memo).

Mr. Boyd also highlighted other available Department of Housing and Urban Development (HUD) programs. Tribes and TDHEs can participate in the Section 184 skilled workers demonstration project, which rewards participants by reducing the upfront fee to \$1 and eliminating the annual guarantee fees. Tribes and TDHEs can also participate in the Title VI loan guarantee program, which allows IHBG recipients to use current and future fund allocations as leverage to obtain HUD guaranteed funding. This allows borrowers to develop their project at today's costs.

Specific to Grants Management and reporting, Mr. Boyd flagged that the SF-425 reporting requirements require ONAP recipients to submit a single complete SF-425 for each grant, 90 days after the end of their program year. For those tribes and TDHEs that are approved to invest IHBG funds, they must submit a SF-425 each quarter, and Resident Opportunities and Self-Sufficiency (ROSS) grantees must submit an SF-425 annually.

Mr. Boyd also discussed best practices for the upcoming competitive grant applications. He recommended that applicants do their homework by reviewing high scoring applications and ensuring that they close out all findings. He also emphasized the importance of submitting complete applications, which can be achieved by using the notice of funding opportunity as a checklist and preemptively organizing all supporting documentation. Further, he advised that applicants make it easy for evaluators to provide maximum points by expressly addressing each section of the application.

In his capacity as Grants Evaluation Director, Mr. Roe briefly spoke on the 2026 risk assessment of tribes and TDHEs. He first explained that the risk assessment is how ONAP determines which tribes/TDHEs to monitor in the upcoming fiscal years. To do so, ONAP weighs the 12 factors located at 24 C.F.R. § 1000.503. These include

- Annual grant amounts
- Disbursed amount – all open grants
- Months since last on-site monitoring
- Delinquent audits under 2 C.F.R. Part 200, subpart F
- Open audit findings
- Conclusion of the audit
- Open monitoring findings
- Delinquent annual performance reports
- Status of Corrective Action Plan

- Recipient Self-Monitoring
- Inspection of 1937 Act Units
- Preservation of 1937 Act Units.

Mr. Roe identified grant amounts, months since last monitoring, and delinquent audits as the highest-ranking factors.

In closing, Mr. Boyd and Mr. Roe directed attendees to check [Codetalk](#) for upcoming training opportunities. If tribes or TDHEs in the northwest area are seeking technical assistance, they are directed to contact Tom Carney (tom.carney@hud.gov).

2. Office of Management and Budget (OMB) Guidance and Updates

At the Fall Native American Finance Officers Association (NAFOA) Conference, Anita Shah, Principal at Moss Adams x Baker Tilly US LLP (merged on June 3, 2025) presented as the moderator of the 2025 OMB Compliance Supplement and Uniform Guidance panel.

Ms. Shah began by noting that auditors use the OMB Compliance Supplement (Supplement) as a guide for program compliance audits. This Supplement is updated annually, usually in the spring but the 2025 version is still in draft. Ms. Shah made note of the following:

- **American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal recovery Funds (SLFRF):** SLFRF funds are no longer listed as a “higher risk” program, which reduces the likelihood SLFRF will be audited in 2025, *unless* there were prior year findings.
- **Federal Funding Accountability and Transparency Act (FFATA):** reporting is now moved from FSRS.gov to SAM.gov. Note that subrecipients must be registered on SAM.gov.
- **2024 Uniform Guidance Revisions:** It is critical that Indian Tribes update their policies to line up with the 2024 Uniform Guidance Revisions, effective October 1, 2024, specifically regarding procurement and equipment management. Indian Tribes may now use their own procedures for internal procurement standards for federal awards instead of adhering to the standard regulations. Indian Tribes may now also use their own procedures for the use, management, and disposal of equipment purchased with federal funds. *See* 2 C.F.R. Part D §§ 200.317 and 200.313. However, if an Indian Tribe does not have its own policies, it must follow the standard federal guidance.
- **Executive Order (EO) Improving Oversight of Federal Grantmaking effective August 7, 2025:**
 - **Limiting Indirect Cost (IDC) Reimbursements.** Tribes should take note that sections 3 and 5 propose limiting IDC and shifting support away from funding facilities and administration costs. Ms. Shah explained that Indian Self-Determination and Education Assistance Act (ISDEAA) (PL-93-638) shouldn't be impacted and neither should other significant block grants, but discretionary funding Tribes receive could be impacted. Ms. Shah

encouraged participants to separate their IDC rates for 638 funding and non-638 funding and further advised evaluating benefits of using a two or three rate approach going forward. Ms. Shah explained that a lower rate for competitive non-638 funding would give a competitive advantage, and a higher rate for 638 funding would result in not leaving money on the table for add-on 638 contracts/compacts.

- Termination for Convenience. Within 30 days, federal agencies were required to report to OMB whether existing *discretionary* grants permit termination for convenience and how many awards include this provision. This clause means that at any time, even if compliance is met, the grant can be terminated. Federal agencies have also been directed to revise to include this clause by amendment to terms and conditions, to the extent permitted by law.
- Drawdown Controls. Going forward, amendments to terms and conditions in discretionary grant awards will 1) prohibit grant recipients from directly drawing down funds without affirmative authorization from the agency; and 2) require grant recipients to provide a written explanation or support for each drawdown.
- Notice of Funding Opportunities. These should be more streamlined, written in plain language, and include only necessary requirements.

3. FY 2026 Appropriations Process

The federal government runs out of money on September 30, 2025. Congress left town after reaching a stalemate on a pair of continuing resolutions that would have kept the government running through late fall. The House, on a near party-line vote, passed a clean continuing resolution. In the Senate, however, for a continuing resolution to pass there must be 60 votes in favor. The Republicans have only 53 votes. Democratic leadership in the Senate have a number of asks they are leveraging their votes for. These include extending the Affordable Care Act enhanced premium tax credits, rolling back the Medicaid reforms included in the One Big Beautiful Bill Act, and eliminating the possibility of future recession packages. The first has some potential, as even some Republicans have lent their support. But Republican leadership doesn't want to do it on a short-term funding bill. The last two points, however, are nonstarters for Republicans. From their perspective, this is asking them to dismantle their own recent, signature legislative victories.

As a result, the House's clean continuing resolution failed in the Senate, also on a near party-line vote. The only surprise here was Senator Murkowski's (R-AK) "no." It is possible that she is angling for an extension of the enhanced premium tax credits, but did not make any public statements. The Senate then voted on the Democratic counteroffer, which included all the partisan riders described above. It, of course, failed as well, with all Democrats voting in favor and all Republicans against.

It is not clear what the next steps are. House Republican leadership believes that they've done their job and sent everyone home until at least October 1, which is after the government funding deadline. Basically, Republican leaders in the House seem to be trying to forgo the

possibility of compromising with Democrats by not even being in D.C. to negotiate. The Senate, on the other hand, comes back on Monday with 48 hours to avoid a shutdown. Minority Leaders Schumer and Jeffries are pushing for negotiations with the White House, where they see a possibility of reopening the door on extending the enhanced premium tax credits. Majority Leaders Thune and Johnson very much want to avoid that and stick with the clean continuing resolution.

Given this uncertainty, it is reasonable to begin preparing for the possibility that a government shutdown may happen effective October 1, 2025. We will continue to follow this very closely and report as events develop.

Conclusion

If you have any questions about this memorandum or any of the topics discussed in this memorandum, please contact Ed Clay Goodman (egoodman@hobbsstrauss.com); or Caleb Norris (cnorris@hobbsstrauss.com), or Brenda George (bgeorge@hobbsstrauss.com). They may also be reached at 503-242-1745.