

Federal Legislative Updates

Northwest Indian Housing Association

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NAHASDA Modernization Act of 2026

- On March 26, 2026, bipartisan NAHASDA reauthorization bills were introduced in the Senate and House.
- House version of the bill
 - Sponsored by Representative Bynum (D-OR-05) and Representative Downing (R-MT-02)
 - More closely similar to previous reauthorization efforts
- Senate version of the bill
 - Sponsored by Senate Committee on Indian Affairs Chair Senator Murkowski (R-AK) and Vice Chair Senator Schatz (D-HI)
 - Contains several new provisions

NAHASDA Modernization: Noteworthy Sections in Both Bills

- House bill section 2/Senate Bill section 4: consolidate the federally-required environmental review process for tribal housing projects so that only one review is required per project.
- House bill section 7/Senate Bill section 12: create additional pathways for homeownership by allowing families living in NAHASDA-assisted rental units to purchase their units, if so available, requiring only that the family qualified as “low income” when it first occupied the unit.

NAHASDA Modernization: Noteworthy Sections in Both Bills

- The House bill section 6: amends NAHASDA to establish a statutory deadline (60 days from receipt) for the Secretary to approve or deny a request for a project to exceed more than 10% of its total development cost (TDC) maximum. If the Secretary does not respond to a request within that 60-day period, the request will be deemed approved.
- The Senate Bill does not include this provision. Rather, Senate bill section 11 increases the threshold percent of the TDC—from 10% to 20%—that may be exceeded before Secretarial approval is required.

NAHASDA Modernization: Noteworthy Sections in Both Bills

- House bill section 16/Senate Bill section 24: reauthorize and update the Section 184 Indian Home Loan Guarantee Program to expand its applicability and increase private financing options for tribal members' mortgages.
- House bill section 20/Senate Bill section 16: streamline tribes' performance reporting requirements so that tribes are required to only submit one annual performance report to HUD.

NAHASDA Modernization: Noteworthy Sections in Both Bills

- House bill section 21/Senate Bill section 28: exempt tribal housing projects from the Build America, Buy America Act's requirements so that construction projects costs stay low.
- House bill section 11/Senate bill 18: increase the maximum duration for leases on trust and restricted lands from 50 years to 99 years.

NAHASDA Reauthorization Efforts: Senate Bill

- Section 2 provides definitions for the following terms:
 - Department of Hawaiian Home Lands; Domestic Violence; Federally Recognized Tribe; Indian Area; Indian Tribe; Tribally Designated Housing Entity; Hawaiian Home Lands; Homeless Youth; Native Hawaiian; Native Hawaiian Organization; Native Hawaiian Community-Based Organization; Secretary; Tribal Organization

NAHASDA Reauthorization Efforts: Senate Bill, cont.

- Section 3 amends NAHASDA to provide that tribes, tribally designated housing entities (TDHEs), and the Department of Hawaiian Home Lands have maximum flexibility and deference when determining the allowable uses for technical assistance funding, notwithstanding any requirement of the Community Compass Technical Assistance and Capacity Building Program.

NAHASDA Reauthorization Efforts: Senate Bill, cont.

- Section 6 increases the family income eligibility ceiling for NAHASDA support of homeownership activities to 120% of the area median income (from 80%), so long as no more than 50% of a tribal entity's IHBG funds are used to assist such families.
- Using the funds this way is optional; tribes/TDHEs may keep the income eligibility thresholds the same.

NAHASDA Reauthorization Efforts: Senate Bill, cont.

- Section 9 increases the de minimis exception threshold amount for goods and services procurements. When the value of an acquisition of goods or services falls below that threshold amount, that acquisition is exempt from NAHASDA's procurement regulations.
 - The bill replaces the current dollar amount and sets the limit at 150% of the micro-purchase threshold provided under the 2 C.F.R. § 200.320.
 - This change is intended to ensure that the threshold keeps up with inflation.

NAHASDA Reauthorization Efforts: Senate Bill, cont.

- Section 10 amends NAHASDA to allow for tribes and tribal entities to establish their own procurement policies for procuring goods and services, so long as the policies are written, publicly available, and followed.
- Section 19 directs HUD to enter into a memorandum of understanding (MOU) with the Department of Defense (DOD) to coordinate with DOD's Innovative Readiness Training Program (IRTP) to assist NAHASDA grant recipients with housing-related civil engineering and construction activities.

NAHASDA Reauthorization Efforts: Senate Bill, cont.

- Section 29 would limit NAHASDA's subsequent negotiated rulemaking to exclude consideration of the IHBG formula, giving HUD full discretion to unilaterally amend the formula regulations.

NAHASDA Reauthorization Efforts: Senate Bill, cont.

- Section 30 creates the “Tribal Homeless Assistance Program,” a pilot program for Native Americans and Alaska Natives who are at risk of or are currently experiencing homelessness.
- Modeled after HUD-VASH, the program will provide housing assistance vouchers, support services in partnership with relevant programs, organizations, and agencies like IHS, and two years of case management services for program beneficiaries.

NAHASDA Reauthorization Efforts: Senate Bill, cont.

Section 30:

- The program prioritizes assistance for youth, families with children, and survivors of domestic violence.
- The program is funded under section 8(o)(19) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(19)), not from IHBG appropriations.

NAHASDA Reauthorization Efforts: Senate Bill, cont.

- Section 33 codifies the Tribal Intergovernmental Advisory Committee (TIAC) at HUD in its current form.
- The TIAC is set up to have ongoing meetings between Tribal leadership and HUD regarding issues related to Indian housing

NAHASDA Reauthorization Efforts: Senate Bill, cont.

- Section 32 establishes a competitive grant program under Continuum of Care (CoC) for construction, acquisition, and rehabilitation of permanent supportive housing for persons experiencing homelessness, where at least one member of the household has a disability.

NAHASDA Reauthorization Efforts: Senate Bill, cont.

Section 32:

- The bill provides that 75% of the funds are reserved for projects that benefit not just tribes, tribal organizations, and the Department of Hawaiian Home Lands, but also Native Hawaiian (community-based) organizations, nonprofit organizations serving Indian tribes or Native Hawaiians, and projects that take place in Indian areas.
- Further, 25% of the program's funds are reserved for eligible entities located in small rural states (those with populations under 2.5 million).

NAHASDA Reauthorization Efforts: Senate Bill, cont.

- Section 34 requires that TIAC, within one year of the Act's enactment, author a report on the housing supply chain challenges experienced by tribal and Native Hawaiian communities. The report shall also provide recommendations for Congress and HUD on how to respond to those challenges.
- TIAC must make the report publicly available and submit it to both the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services.

NAHASDA Reauthorization Efforts: Senate Bill, cont.

- Section 35 requires that TIAC, within 180 days of the Act's enactment, compile all background, issues, recommendations, and other information from previous TIAC reports relevant to Alaska and Hawaii. TIAC shall then consolidate that information into two Housing Task Force reports—one related to each state.
- The reports must be publicly available and be shared with both the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services.

Fiscal Year (FY) 2026 Appropriations

The Consolidated Appropriations Act was signed into law on February 3, 2026.

- The package finalized the FY 2026 Transportation, Housing, and Urban Development (THUD) funding for tribal housing programs:

Program	FY25	FY26 House	FY26 Senate	Enacted FY 2026
IHBG – Formula	\$1.11 B	\$1.11 B	\$1.11 B	\$1.11 B
IHBG – Competitive	\$150 M	\$150 B	↓ \$100 M	↓ \$100 M
Tribal HUD-VASH	\$7.5 M	↑ \$10 M	↑ \$10 M	↑ \$10 M
Title VI Loan Guarantee	\$1 M	\$1 M	\$1 M	\$1 M
ICDBG	\$75 M	\$75 M	↑ \$125 M	↑ \$100 M
NAHASDA T&TA	\$7 M	\$7 M	\$7 M	\$7 M
Native American Programs Overall	\$1.344 B	\$1.344 B	\$1.354 B	\$1.354 B
Section 184 Loan Guarantee	\$1.8 M	\$1.8 M	↓ \$1.2 M	\$1.8 M
NHHBG	\$22.3 M	↓ \$18.3 M	\$22.3 M	\$22.3 M
Section 184A Hawaiian Programs	\$28 M	\$28 M	\$28 M	\$28 M

Housing Opportunity Through Modernization Act of 2016 (HOTMA)

- Made changes to various HUD programs (Public Law 114–201, 130 Stat. 782)
- July 29, 2016 -- HOTMA signed into law.
- HOTMA amended Sections 3, 8, and 16 of 1937 Housing Act, including significant changes to income calculation, net family assets, and income reviews.
- HUD finalized HOTMA rulemaking in 2023, which included revisions to 24 CFR Part 5 and 24 CFR Part 891.

Impact on Tribes and TDHEs

- Under NAHASDA, assistance is typically limited to low-income Indian families.
- 24 C.F.R. 1000.10 - Requires tribes and TDHEs to choose one of three definitions of annual income to qualify families as low-income:
 1. HUD's annual income definition at 24 C.F.R 5.609
 2. The Census Bureau's definition of annual income
 3. The adjust gross income definition used on the IRS Form 1040
- HOTMA revised several elements that are used in 24 C.F.R. 5.609, requiring changes to 24 C.F.R. 1000.10.

Part 5 (HUD Section 8) Annual Income

- HOTMA statute required changes to the Part 5 (Section 8) definitions effecting the determination of “annual income.”
- While Tribes/THDEs do not operate Section 8 programs, for those who apply the 24 C.F.R. part 5 test for income, these changes are relevant.
- HUD extended the time for Tribes/TDHEs to come into compliance to **January 1, 2026**.

Build America, Buy America (BABA)

- **BABA requirements:** if Federal award funds are used on an Infrastructure Project, all of the iron, steel, manufactured products, and construction materials incorporated into the project must be produced in the US.
- BABA applies to federal financial assistance from HUD and other Federal Agencies, including but not limited to:
 - IHBG Formula, IHBG-Competitive, ICDBG Single Purpose, Title VI Loan Guarantees
- Tribal Recipients should create procedures addressing BABA compliance

Administration's Executive Order Priorities as Conditions for Grant Funding

- **Improving Oversight of Federal Grantmaking (Executive Order [EO] 14332)** (August 7, 2025) is largely aimed at seeking to enforce the Administration's policy priorities (e.g., no DEI, discouraging immigration, etc.) through the grantmaking process.
- Subsequently, HUD Notices of Funding Opportunity (NOFO) now include a condition that grantees comply with certain EOs issued by President Trump.
- We expect that there will be litigation challenging the application of EO 14332 to federal grants.

Questions?



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