This document is scheduled to be published in the Federal Register on 2026-11-10 and available online at https://www.federalregister.gov/d/2026-22838, and on https://govinfo.gov

ode 4210-67

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6623-N-01]

Notice of Intent to Reorganize HUD and Revise Headquarters and Field Operating Model

AGENCY: Office of the Secretary, HUD.

ACTION: Notice.

SUMMARY: This notice advises the public that HUD intends to make changes to its Headquarters and Field operational structure. These changes are designed to better enable HUD to address crucial workplace and mission needs by eliminating redundancies, streamlining and increasing flexibility in work processes, and consolidating administrative functions, thus allowing the Department to more efficiently deliver on its mission utilizing current resources. It does not propose any office closures or relocation of staff.

FOR FURTHER INFORMATION CONTACT: Lori Michalski, General Deputy Assistant Secretary, Office of Administration, Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410; telephone 202-402-3921. (This is not a toll-free number.) HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech and communication disabilities. To learn more about how to make an accessible telephone call, please visit https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.

SUPPLEMENTARY INFORMATION:

I. Legal Requirements for This Notice

In accordance with section 7(p) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(p)), a plan for the reorganization of any HUD regional, area, insuring, or other field office may take effect only upon the expiration of 90 days after publication in the Federal Register of a cost-benefit analysis of the effect of the plan on each HUD office involved. Such cost-benefit analysis shall include, but not be limited to (1) an estimate of cost savings

supported by background information detailing the source and substantiating the amount of the savings; (2) an estimate of the additional cost which will result from the reorganization; (3) a study of the impact on the local economy; and (4) an estimate of the effect of the reorganization on the availability, accessibility, and quality of services provided for recipients of those services. Where any of the factors cannot be quantified, the Secretary shall provide a statement on the nature and extent of those factors in the cost-benefit analysis. This notice is to satisfy the requirement of section 7(p). Not all changes described in this notice rise to the level legally requiring a 90-day notice period and may be implemented by the Department at its convenience. These changes are being described here to provide a full picture of the future organizational structure of the Department.

II. Required Statutory Cost-Benefit Analysis

A. Background

Since 2025, due in large part to the success of the Deferred Resignation Program, the Department experienced a significant number of voluntary departures from Federal service and a corresponding reduction in staff across all program offices. Certain offices were particularly impacted by these departures, leaving them constrained in the ability to accomplish Departmental goals and objectives. As a result, each program office undertook a thorough analysis of all operations and functional alignment in order to develop a plan to more efficiently and effectively manage the Department's programs and activities. The result of these efforts is a proposed large-scale reorganization of the Department. The proposed reorganization was communicated to Members of Congress on April 3, 2026. This notice reflects the next step in moving forward with these plans.

The proposed reorganization of the Department is expected to produce net operational efficiencies by allowing for better management of the Department's activities given its current level of staffing. On balance, the proposed reorganization of the Department from its FY 2024 organizational structure would merge smaller units with similar specializations into larger ones,

reducing some of the disadvantages of a more complex hierarchy associated with the Department's previous staffing levels. In some cases, a division would be realigned under a different chain of command if doing so improves coordination with other divisions.

The goal is to begin implementing these changes by the end of fiscal year (FY) 2026, with full implementation completed during FY 2027. The reorganization is expected to significantly enhance operational efficiency, as well as improve HUD's program delivery and the service provided to HUD's customers.

B. Description of Proposed Changes

1. Departmental Management

a. Executive Secretariat

Staff levels in the Executive Secretariat (ExecSec) were drastically reduced through the voluntary departures of staff via the Deferred Resignation Program. As a result, ExecSec has already implemented cross-training and work-sharing across the office to continue to perform the duties of the office. ExecSec will consolidate these teams to more efficiently manage the work of the staff under one supervisor.

b. Office of Public Affairs

OPA will be consolidated into a single, streamlined Office of Public Affairs.

2. Office of Public and Indian Housing

The Office of Public and Indian Housing (PIH) is consolidating and realigning operations to create greater operational efficiencies and consistency in program administration and oversight. Specifically, PIH will merge all responsibilities for public housing under one Office and all voucher programs in another. This will streamline both processes and program administration. By aligning the offices along program lines, PIH expects improvements in communication and collaboration between the more interrelated units of the Office of Public and Indian Housing.

3. Office of Lead Hazard Control and Healthy Homes

The Office of Lead Hazard Control and Healthy Homes (OLHCHH) will reduce redundant functions performed within OLHCHH and streamline operations into three divisions, down from the current five divisions. This will create additional efficiencies of operation and better utilize OLHCHH's current staff and resources.

4. Office of Fair Housing and Equal Opportunity

FHEO will reorganize and consolidate its office structure to adopt a more functional model designed to better fulfill FHEO's core statutory obligations under the Fair Housing Act and related authorities. FHEO will consolidate its operations under a centralized management structure designed to promote efficiencies of operation and consistency in the enforcement, compliance, and educational activities of the office. This reorganization will eliminate redundant management layers and reduce the duplication of work across FHEO. Additionally, the reorganization will reduce the variability of handling of complaints and conciliations across FHEO, bringing greater consistency to FHEO's work. The reorganization will improve workload balancing while also allowing for increased productivity through specialization, where appropriate. Finally, the centralization made possible through the reorganization will create administrative efficiencies and improve accountability and performance monitoring.

5. Office of the Chief Financial Officer

The Office of the Chief Financial Officer (CFO) will be reorganizing three divisions to ensure better administration of the Department's budget and financial management activities. CFO will establish a new division to consolidate budget assistance for program offices, reducing redundancies across the Department and assisting those program offices who experienced significant voluntary staff separations in the last year. CFO will also create new branches to focus on financial management and accountability in order to better assist the Department in managing its funds. Finally, a new division will consolidate travel management oversight and coordination in support of the Department in a more cost-effective and efficient manner.

6. Office of the Chief Information Officer

The Office of the Chief Information Officer (OCIO) will reorganize to drive efficiency and align our work and services around a portfolio and product-based construct. This shift will optimize office organization around technical solutions management and emphasize OMB's designation of HUD as a High Impact Service Provider (HISP) and our systems and solutions that support the Government Services Delivery Improvement Act through establishment of a design and experience division. This reorganization will enable HUD to evolve into a 21st-century delivery organization that leverages best-in-class industry practices around product management and development, security, and operations (DevSecOps). It will establish a portfolio management organization construct that will enable HUD OCIO to surge and align resources around key delivery initiatives and increase standardization around delivery practices. It will establish a division for data and super intelligence (SI) under the Chief Technology Officer to ensure HUD is staffing and prioritizing data and SI appropriately. Finally, core business office functions (budget, acquisition, and resourcing) will be consolidated into one office division for better synergy and standardization of processes. Additionally, OCIO will establish a customer experience division to better align responsibilities and deliver services to HUD and its customers. Additionally, contract and financial management will be realigned and consolidated to eliminate redundancies across OCIO. Overall executive operations of OCIO will also be consolidated and realigned to streamline and standardize administrative functions. OCIO will realign the management of HUD's most critical assets to improve management and the response to security threats. Finally, Divisions and branches will be renamed to better reflect the current workload and functions of each OCIO component.

7. Office of Community Planning and Development

The Office of Community Planning and Development (CPD) is modernizing operations and realigning CPD's structure to strengthen the ability of the office to meet its mission and achieve its goals. These changes will allow CPD to better deliver on its mission critical functions while maintaining strong accountability for program performance and the responsible

stewardship of taxpayer dollars. CPD will consolidate its Office of Grant Programs non-disaster grant programs into a single office to better integrate and synthesize existing program policy resources and reduce unnecessary barriers to affordable housing creation. CPD will also rename other offices to create better alignment with the Departmental naming conventions for consistency and clarity.

8. Government National Mortgage Association

The Government National Mortgage Association (GNMA or Ginnie Mae) is creating a new division to coordinate and address the need for greater data and market analysis to aid in data-driven decision-making. GNMA will also realign branches to bolster the work of the Office of Enterprise Risk, which will better manage Ginnie Mae's financial reporting, compliance, audit resolution, and enforcement efforts. As part of this realignment, branches will be created to allow focus on GNMA budget and economic analysis by specialized staff with unique skills in these areas. Ginnie Mae is also creating new branches to focus efforts on issuer engagement in a manner that is more tailored to the underlying assets to create efficiencies in account management and compliance. New branches will also be established to better support customer-focused information, training and support. Additional branches will be established to better focus counter party risk management and to direct and manage capital market activities. Finally, the renaming and realignment of functions relating to data and technology management will create operational efficiencies and better reflect the work of each branch.

9. Office of Policy Development and Research

The Office of Policy Development and Research will increase operational efficiencies by realigning the Chief Data Officer to the CIO as described above. Three divisions will be merged and consolidated into a single division responsible for resource management to further operational efficiencies. Finally, one division is being renamed to better reflect the functions performed in that division.

10. Office of General Counsel

The Office of General Counsel (OGC) is reorganizing its office structure to primarily breakdown artificial silos, eliminate redundancies, and streamline management responsibilities to effectively address the significant reduction in staff resulting from the voluntary separation of staff through the Deferred Resignation Program and other planned retirements. Specifically, the reorganization of OGC will eliminate the distinction between Headquarters and Regional/Field offices. Instead, OGC will have a unified structure organized based on programmatic operations. All counsel, regardless of geographic location, will report to one of three Deputy General Counsels, who will divide responsibilities loosely along the following lines: 1) general, cross-cutting legal services and administrative law, 2) grant and assistance program related legal support, and 3) housing finance legal services.

OGC's programmatic approach to legal representation will allow greater flexibility in management of the work flowing from HUD's various program offices while allowing for the development of greater expertise across the Department's grant and assistance programs as well as the Department's housing finance programs. This structure will also allow for the centralization of all administrative and general cross-cutting legal services and facilitate greater workload management across the country. With the voluntary departure of significant numbers of staff, OGC's siloed and restrictive structure made swift adaptation to the new staffing realities and shifting priorities in terms of workload extremely difficult to manage. With an emphasis on flexibility and seamless worksharing in this reorganization, OGC will be better situated to react to changing priorities and program activity levels allowing for the appropriate management of workflows without delay. Additionally, the inherent flexibilities in this reorganization mean that no staff will be relocated as a result of this reorganization and no employees will be negatively impacted in terms of grade/rates of pay.

11. Office of Field Policy and Management

The Office of Field Policy and Management (FPM) will realign the additional cross-cutting program implementation functions associated with the Build America, Buy America Act,

into the office that currently oversees various cross-programmatic compliance initiatives for the Department. This shift will allow for increased efficiency in implementation as it better aligns with the existing cross-cutting implementation work and functions of FPM and is expected to enhance the stakeholder experience.

12. Office of Housing—Federal Housing Administration

a. Office of Single Family Housing

The Office of Single Family Housing is transitioning the work of its Homeownership Centers (HOCs) from a geographic-based business model to a function-based business model. Single Family will maintain three official HOC-designated offices, each with its own specialization: Philadelphia (Origination), Denver (Servicing), and Atlanta (Quality Assurance). Santa Ana will no longer be identified as a HOC, however all Single Family office locations, including Santa Ana, will continue to remain in operation, with no geographic reassignments, and minimal changes to employee position descriptions.

These changes will ensure consistency in program delivery, improved workload management across functions, centralized expertise, and streamlined collaboration between field offices and headquarters policymakers.

Additionally, the Investments Division in the Office of Multifamily Housing's Recapitalization Office was originally established in 2023 to centralize the administration of the Green and Resilient Retrofit Program (GRRP) grant and loan activities, including application review, award processing, transaction closing, and ongoing portfolio monitoring. As there are no GRRP new grants/loans being funded, the GRRP functions for the existing grants/loans have been integrated into the Office of Recapitalization's existing organizational structure, with transaction-related activities assigned to the Transaction Division and closing functions assigned to the Closing Division. As a result of this functional integration, the division is no longer necessary as a separate organizational unit and is being removed from the organizational chart. All staff in the Investments Division have left the Department or taken other positions at HUD.

b. Office of Operations

To increase operational efficiency and eliminate redundancies, as other support offices across HUD provide the same services, the Office of Operations will be streamlined to support the Office of Housing's Management team with a smaller and more efficient footprint. The Office will be renamed the Office of Management Operations.

13. Office of Administration

The Office of Administration is comprised of subcomponents under the leadership of the executive front office of Administration.

a. Executive Office

The Office of the Administration executive front office (Admin) will assume the supervision of all of HUD's national security, continuity, continuity of operations, and emergency planning functions under a new Office of National Security and Continuity Programs. This realignment will elevate these functions from their current location under the CAO to report directly to the General Deputy Assistant Secretary for Admin, in recognition of the importance of these functions and the need to reduce duplicative and unnecessary layers of management in this area.

b. Office of the Chief Human Capital Officer

The Office of the Chief Human Capital Officer (OCHCO) will streamline its executive management layer by reducing its authorized Senior Executive Service (SES) allocation from six to four. Executive oversight will be consolidated under the SES positions of Chief Human Capital Officer (CHCO) and Deputy CHCO, who will oversee two balanced operational pillars led by the remaining two authorized SES directors:

1. Workforce Accountability, Policy & Compliance: This will unify regulatory functions, establish an independent Misconduct Inquiries & Investigations Division alongside Policy, Accountability; Personnel Security and Suitability; Reasonable Accommodation; and Performance Management and Recognition.

2. Talent Strategy, Systems & Enterprise Intelligence: This will consolidate Data and Human Resources (HR) Systems; house the functions of Recruitment and Staffing; Pay, Benefits and Retirement; Enterprise Training and Executive Development; Administrative Operations, Workforce Health, Wellness and EAP.

Under this realigned architecture, Employee and Labor Relations, Anti-Harassment, Executive Resources and Emergency surge hiring support will be integrated directly into the CHCO Front Office.

c. Office of the Chief Administrative Officer

The Office of the Chief Administrative Officer (OCAO) will realign staff and functions within OCAO to more efficiently use staff resources to manage the work of the office. With the realignment of the national security, continuity programs (COOP), and emergency planning functions to the executive front office of Admin, the remaining physical security functions will be managed out of the new Office of Physical Security. Additionally, the Protective Services Division, which provides protection services to the Secretary and Deputy Secretary, will be managed by a separate division reporting to OCAO. All space and project management functions will be consolidated into the Resource Management division and a division to oversee printing functions will be established within the Office of Digital Enterprise within OCAO. Finally, all FOIA, Privacy, and Electronic Records Management Functions will be aligned under OCAO into one division for efficient management.

d. Office of the Chief Procurement Officer

The Office of the Chief Procurement Officer (OCPO) will restructure its operations to establish a centralized hub for early acquisition life-cycle activities, consolidating the presently dispersed functions and allowing increased efficiency and skill development. Additional efforts to modernize the operations of OCPO will require establishment of various branches across OCPO designed to further the efficient management of procurement activities and establish greater communication and ties with the program offices across HUD.

C. Estimate of Cost Savings

Approximately 90 days following the date of publication of this notice, HUD will begin the reorganization of the Department as identified above. Each program office will separately undertake the necessary reorganization, consolidation, and realignment of functions and staff as described. Given the varying level of complexities in the reorganization plan, the full implementation of these plans is expected to occur within Fiscal Year 2026 for some offices while others will continue working towards full implementation in Fiscal Year 2027.

Because these efforts are about streamlining and consolidating organizational structures and reducing redundancies in terms of functions performed rather than any change in terms of footprint or staffing levels, nothing in these plans includes steps to relocate or reduce any staff.[1] As a result, immediate, quantifiable cost savings are not expected to be realized from anything in this reorganization plan. Instead, HUD anticipates greater efficiencies in qualitative operations and the achievement of the Department's mission and goals, including enhanced customer and stakeholder service. These efficiencies will enable the Department to continue efficient and effective management of its programs generally within the existing approved staffing levels of the Department. Current staffing levels are almost 35 percent below historic staffing levels and this reorganization will provide HUD with the ability to operate even more effectively at current staffing levels, ultimately carrying forward savings from the reduced salaries and expenses of the Department.

D. Estimate of the Additional Costs

---

[11] Please note that the Department separately published a notice of intent to relocate the staff from Kansas City, Missouri field office to the Kansas City, Kansas Regional Office. This move was detailed in a separate notice published in satisfaction of the obligations under section 3535(p) and is separate and distinct from the reorganization plans discussed in this notice.

The Department expects that there may be some minor short-term adjustment costs associated with this reorganization plan. Some managers and staff may require time and additional training in order to adapt to new roles and adjust to managing a slightly different mix of workflows. These upfront costs are expected to be less than the longer-term gains from operational efficiencies generated by the reorganization. The overall goal of the reorganization of the Department's structure is to preserve the availability, access, and quality of the Department's services.

E. Study of the Impact on the Local Economy

Because there are no staff relocations or office closures required by this reorganization, there is no anticipated impact on any local economies.

F. Estimate of the Effect of the Reorganization

This reorganization is designed to better enable HUD to address crucial workplace and mission needs by eliminating redundancies, streamlining and increasing flexibility in work processes, and consolidating administrative functions, thus allowing the Department to more efficiently deliver on its mission utilizing current resources and mitigate the impact of previously realized staff reductions across the Department, primarily due to voluntary resignations through the Deferred Resignation Program (which was particularly acute for certain program offices).

The proposed reorganization advances a new alignment that will maximize the use of staffing resources to ensure flexibility and maintain quality work across all aspects of its portfolio. The intended future state of the Department will demonstrate a program-focused approach to best leverage current staff, maximize operational efficiencies, and permit better allocation of resources during periods of increased workload, all within the current footprint and geographic dispersion of HUD staff. This reorganization will also better align skillsets across the Department, modernize how offices conduct their work and address the staffing losses mentioned above. The specific shifts away from extremely siloed organizational structures with regional/field office restrictions are designed to change reporting structures, not eliminate offices

or force relocation of any staff. While functions and duties of staff may change, HUD will endeavor to minimize impacts on staff and avoid to the greatest extent possible the imposition of any reduction in grade or pay because of this reorganization.

In sum, no immediately quantifiable benefits, and no significant costs or local economic impacts would arise from the reorganization, which maintains the Department's number of staff and field offices, but simply streamlines and realigns functions for optimal efficiency.

HUD will take steps to ensure that the reorganization therein complies with Title 5, applicable civil rights statutes, OPM workforce reshaping guidance, and merit systems principles. HUD's implementation of the reorganization will be phased to ensure continuity of operation. To the extent that future personnel actions may be required, HUD will ensure that they are conducted in accordance with law and regulation.

III. Environmental Impact

This notice does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing (other than tenant-based rental assistance), rehabilitation, alteration, demolition, or new construction, or establish, revise or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), the notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42. U.S.C. 4321 et seq.).

Andrew Hughes,
Deputy Secretary.
[FR Doc. 2026-22838 Filed: 11/9/2026 8:45 am; Publication Date: 11/10/2026]