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**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**24 CFR Part 5**

**[Docket No. FR-6524-F-02]**

**RIN 2501-AE16**

**Housing and Community Development Act of 1980: Verification of Eligible Status**

**AGENCY:** Office of the Secretary, HUD.

**ACTION:** Final rule.

**SUMMARY:** This final rule revises HUD's Section 214 regulations to require the verification of U.S. citizenship or the eligible immigration status of all applicants and recipients of assistance under a covered program regardless of age. The rule will also make prorated assistance a temporary condition pending verification of eligible status of all family members, where permitted by statute, as opposed to under HUD's current regulations where prorated assistance could continue indefinitely. These amendments bring HUD's regulations into greater alignment with the wording and purpose of Section 214 and align with the current Administration's priorities and regulatory reform efforts.

**DATES:** *Effective date*: [**INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER***].

**FOR FURTHER INFORMATION CONTACT:**

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HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or 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. Background**

As explained in greater detail in the proposed rule (91 FR 8151), Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) ("Section 214") prohibits HUD from making certain financial assistance available to persons other than United States citizens or specified categories of eligible noncitizens. The Section 214 requirements apply to financial assistance provided under the following HUD programs (collectively referred to in this preamble as "Section 214 covered programs" or "covered programs"):

1. Section 236 of the National Housing Act (12 U.S.C. 1715z-1) (tenants paying below market rent only) (the Section 236 program); and

2. The United States Housing Act of 1937 (42 U.S.C. 1437 *et seq.*) which covers: HUD's Public Housing programs, the Section 8 rental assistance programs, and the Housing Development Grant programs (with respect to low-income units only).[1]

HUD's current regulations implementing Section 214 require that each family member applying for assistance under a Section 214 covered program either: (1) submit a declaration declaring that he or she is a U.S. citizen, as defined in 24 CFR 5.504(b) (which specifies that citizen means a citizen or national of the United States), or a noncitizen with eligible

[1] Section 214(b). Additional limitations on noncitizen eligibility are also found in the Personal Responsibility and Work Opportunity Act of 1996, 8 U.S.C. 1611(b)(1)(E).

immigration status;[2] or (2) elect not to contend eligible immigration status and, therefore, not submit documentation for verification.[3] HUD's regulations also cover how a family with individuals whose eligibility has not been established or who are not eligible for assistance may still receive assistance: through prorated assistance, based on the number of individuals in the family for whom eligibility has been affirmatively established,[4] or in limited circumstances, through a temporary deferral of termination of assistance.[5]

**II. The Proposed Rule**

On February 20, 2026, HUD published the "Housing and Community Development Act of 1980: Verification of Eligible Status" proposed rule (the proposed rule) in the *Federal Register* (91 FR 8151). This proposed rule sought to bring the agency's regulations into greater alignment with the wording and purpose of Section 214, and to align with the current Administration's priorities and regulatory reform efforts, by revising HUD's regulations to require the verification of U.S. citizenship or the eligible immigration status of all applicants and recipients of assistance under a covered program regardless of age, and to make prorated assistance a temporary condition pending verification of eligible status of all family members, where permitted by statute.

HUD proposed numerous changes to 24 CFR part 5, which included:

- revisions to require all applicants and tenants in Section 214 covered programs to submit evidence of U.S. citizenship or eligible immigration status regardless of age, replacing outdated terminology;
- redefining or defining important terms;
- removing outdated or unnecessary language or programs;

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[2] 24 CFR 5.508(c). Family members declaring themselves eligible noncitizens must provide original documentation as evidence of their immigration status, but family members declaring to be U.S. citizens do not have to provide additional documentation.
[3] 24 CFR 5.508(e).
[4] 24 CFR 5.516(a)(1)(iii).
[5] 42 U.S.C. 1436a(c)(1)(B); 24 CFR 5.518(b).

- changes to regulatory requirements regarding which families may receive which types of assistance to better implement statutory requirements and add clarifying details;
- changes to capture the type of prorated assistance where at least one family member has verified U.S. citizenship or eligible immigration status and the remaining family members' verification is pending;
- revisions to require persons who declare themselves to have U.S. citizenship to provide a signed declaration and a verification consent form;
- removing the option for persons to elect "do not contend" to have eligible status of any kind (citizenship or immigration status);
- requiring responsible entities, as defined in 24 CFR 5.504, to provide notification of Section 214 requirements to certain tenants no later than 30 days after the effective date of the rule;
- providing that Public Housing Agencies (PHAs) or owners, as applicable, may meet reporting requirements by conforming with applicable *Federal Register* Notices, including Interagency Notices (such as the 2000 Interagency Notice at 65 FR 58301), regarding compliance with section 404 of Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA);
- requiring the verification consent form to notify individuals that PHAs or owners, as applicable, must inform DHS immediately whenever personnel determine that any member of a household is present in the U.S. in violation of the Immigration and Nationality Act;
- clarifying that families must submit required evidence for a family member only one time during continuously assisted occupancy under any Section 214 program;
- identifying acceptable documentation for evidence of U.S. citizenship (U.S. birth certificate, a naturalization certificate, a consular report of birth abroad (FS-240), a

valid unexpired U.S. passport, a certificate of citizenship, or other appropriate documentation that HUD may specify in guidance);

- describing HUD's secondary verification procedures where a responsible entity would need to provide notice of the results of primary verification and include other information in the notice;
- requiring responsible entities to review additional information and acceptable documentation provided by individuals;
- requiring that the responsible entity must request additional verification in the Systematic Alien Verification for Entitlements (SAVE) program within 30 days of notification of the results of primary verification for secondary verification of eligible immigration status;
- clarifying that the notice of denial or termination must specify that individuals may seek a records correction with any agency that issued documents or maintains records relevant to the individual's verification of eligible status; and
- technical changes to the regulations to further conform to Section 214's statutory requirements.

See the proposed rule for a full description of all proposed regulation changes associated with this rulemaking.

**III. This Final Rule**

HUD reviewed and considered all public comments submitted in response to the proposed rule, which are summarized and addressed below. After considering public comments, this final rule incorporates a majority of the regulatory changes as described in the proposed rule; however, HUD is making certain revisions to Section 214 regulations different from those described in the proposed rule. HUD is also making certain additional non-substantive revisions to provide better clarity.

First, HUD is revising § 5.508(g) to allow responsible entities to grant an additional 30 days (60 days total) for a family to obtain necessary evidence. HUD is also revising 24 CFR 5.508(e)(ii) to require responsible entities to inform tenants in the notification of Section 214 requirements of the availability of extensions of up to 60 days and their right to request such extensions. HUD acknowledges the barriers individuals may face obtaining documents, so to provide more flexibility, HUD is providing a greater extension based on the circumstances of the individual case. This extension is similar to § 5.216(e)(2)(ii)(B) which provides one additional extension for the disclosure of Social Security numbers for new household members under the age of six. HUD determined that a total 60-day extension was appropriate, rather than a 90-day extension as can be granted for the disclosure of Social Security numbers for new household members under the age of six, because there is a comparatively higher risk of fraud or ineligibility when others in the family have not provided necessary evidence of citizenship or eligible immigration status.

Additionally, in § 5.508(f)(3), HUD is clarifying that a new family member must submit required evidence not later than the date the responsible entity performs verification of other aspects of eligibility for assistance, instead of when the responsible entity anticipates or has knowledge that verification of eligibility will occur.

Second, in § 5.216(e)(1)(ii), this rule is revising language to state "Each participant subject to the disclosure requirements under paragraph (e)(1)(i) of this section must submit the following information to the processing entity when providing evidence of citizenship or eligible status under § 5.508(f)(2)(i)–(ii)." This revision will align citizenship and eligible status disclosure at the same time as Social Security number disclosure. HUD also is revising § 5.508(b)(1) to include disclosure of an individual's assigned Social Security number as evidence which must be submitted by individual's declaring U.S. citizenship. This revision aligns with the use of an individual's Social Security number during the primary verification process. Relatedly,

HUD is revising § 5.508(d) to include that the verification consent form must comply with Section 7 of the Privacy Act of 1974 given the collection of Social Security numbers.

Third, this final rule makes non-substantive changes, such as revising instances of "citizenship" to "U.S. citizenship" to be more specific and provide clarity, revising § 5.508(b) for clarity and to align closely with § 5.508 (b)(2), stating in § 5.516(a) "hearing" instead of "informal hearing" since public housing tenants are entitled to formalized grievance processes, and technical corrections throughout § 5.518 to correct grammatical errors and for consistency.

**IV. Severability**

Consistent with the requirements of the Administrative Procedure Act, HUD has reviewed and responded to all public comments received in response to its notice of proposed rulemaking and acted within its statutorily delegated authority in the promulgation of regulations that are consistent with the Act. Nonetheless, if any provision of this final rule, or any provision of 24 CFR part 5, is held to be invalid or unenforceable as applied to any action, that provision should be construed so as to continue to give the maximum effect to the provision permitted by law. If such holding is that the provision of this part is invalid and unenforceable in all circumstances, then HUD views each provision as severable from the remainder of this part and a finding that a provision is invalid should not affect the remaining provisions.

**V. The Public Comments**

The public comment period for the proposed rule ended on April 21, 2026. HUD received 16,238 comments. These comments were received from individuals, landlords, tenants, property owners ("owners"), housing authorities, housing cooperatives, non-profit housing organizations, non-profit organizations representing seniors or individuals with disabilities, housing associations, case managers for individuals experiencing homelessness, churches, law firms, etc. The public comments are discussed in various categories below. HUD notes that "tenant(s)" and "participant(s)" are used interchangeably throughout the summary and intended to reference participants under the covered programs of this rule.

**A.** ***Comments in Support of the Rule***

***1. General support***

Commenters expressed general support for the proposed rule and urged HUD to finalize and implement it, and stated variously that assistance should be limited to U.S. citizens and/or for people lawfully present in the United States. A commenter raised a grievance about the fairness of housing allocation by race and immigration status, disagreeing with rendering families homeless on the basis of race while questioning why immigrants appear to receive housing, vouchers, or Section 8 assistance before Americans, veterans, or the elderly, and alleging that some recipients display signs of affluence. A commenter stated that the comment is not for or against the proposal, identifying as a law-abiding American, urging that immigrants come to the country legally, and arguing that illegal entry creates problems for low-income citizens and their families.

**HUD Response:** HUD appreciates commenters' support for its efforts to better align implementing regulations with Section 214, strengthen program integrity by requiring verification of all applicants and current participants, regardless of age, and protect limited housing resources for eligible US citizens and individuals with eligible immigration status.

***2. Improves statutory alignment to Section 214 & PRWORA***

Commenters argued that the proposed rule aligns HUD's regulations more closely with the text and purpose of Section 214 of the Housing and Community Development Act (42 U.S.C. § 1436a), which prohibits HUD from making financial assistance available to persons other than U.S. citizens and specified eligible noncitizens in covered programs, and added that HUD's general rulemaking authority under 42 U.S.C. § 3535(d) permits the Secretary to promulgate the rules necessary to carry out that mandate. Commenters characterized the rule's core changes—requiring verification of status for all household members regardless of age, eliminating the "do not contend" option, and limiting proration to a temporary period pending verification—as better conforming the regulations to that statutory text and closing a longstanding loophole under

which ineligible noncitizens can indirectly benefit from subsidies through prorated assistance in mixed-status households. A commenter added that the rule reflects reasoned, evidence-based rulemaking that centers Section 214 and PRWORA § 1642 and operationalizes verification through SAVE. A commenter maintained that the proposal reasonably relies on DHS's SAVE, which returns status information rather than deciding eligibility, and argued that using SAVE standardizes practice and should improve accuracy, uniformity, and timeliness across PHAs and owners.

A commenter urged HUD to remove the "do not contend" provision swiftly, describing a decades-long practice that left 200,000 existing tenants whose citizenship status has never been verified, and argued the statute specifically requires that assistance not be provided before eligibility status is "presented and verified," so that a declaration not contending eligible status is the absence of verification rather than verification itself. The same commenter argued that making prorated assistance temporary is faithful to the statute and feasible today because verification through SAVE is now nearly instantaneous, whereas Congress authorized proration when verification was a manual, paper-driven process that could take days or weeks, leaving no justification for indefinitely continuing prorated assistance. A commenter also argued that codifying PRWORA reporting and extending it to private owners is long overdue, noting that PHAs were notified more than 30 years ago to begin using SAVE for citizenship verification and have been obligated since 2000 to report individuals present in violation of the Immigration and Nationality Act. Responding to HUD's request for comment on severability, a commenter argued that the rule's provisions—elimination of the "do not contend" provision, removal of the age exemption, and universal SAVE verification—are substantially independent and should each be given effect to the maximum extent possible, and urged HUD to include a robust severability clause in the final rule.

To balance equity with statutory fidelity, a commenter recommended that HUD preserve temporary proration only while verification is pending, apply preservation assistance consistently

for long-tenured households where allowed, and publish state-level projections to help PHAs plan rehousing supports. The same commenter asked HUD to clarify that secondary SAVE verification be completed within a target timeline such as 10 business days, and that assistance not be terminated or delayed while secondary verification is pending when acceptable documents are on file; to publish a verification workflow setting out the initial and secondary SAVE steps, evidence standards, and typical timelines; and to provide a privacy summary referencing the 2025 SAVE PIA/SORN updates explaining interagency data sharing and safeguards. A commenter contended that the safeguards in the rule—the temporary verification period and exemptions for certain vulnerable groups—mitigate concerns about family disruption or homelessness while the rule enforces the original intent of Section 214.

**HUD Response:** HUD appreciates commenters' support for its efforts to better align implementing regulations with Section 214. HUD is making preservation of assistance available only to the extent required by statute. HUD is electing to provide responsible entities with 30 days to request additional verification of immigration status where secondary verification is required. The rule provides for PHAs to elect to provide assistance before verification in § 5.512(b) consistent with the flexibility afforded in Section 214. The DHS-SAVE program maintains resources and tools on its website with considerable instruction and information on the use of SAVE. HUD encourages responsible entities to visit DHS's website: https://www.uscis.gov/save/current-user-agencies to access the tools and guides available to user agencies. HUD will consider what information it may provide to support PHAs' plans for rehousing transitions.

***3. Improves program integrity***

A commenter argued the rule strengthens program integrity by requiring verification for all household members, implementing SAVE as Congress intended, and limiting prorated assistance to the temporary verification period, so that federal housing subsidies are directed only to individuals who are legally eligible while preserving due-process protections for mixed-status

families. A commenter characterized the rule as closing loopholes that have allowed federal housing assistance to flow to individuals whose eligibility has never been verified, including 25,000 deceased tenants living in HUD-subsidized properties, and urged HUD to stop fraud in taxpayer-subsidized housing and finalize the rule promptly. A commenter contended that HUD currently verifies immigration status through DHS's SAVE but does not require the same electronic verification for U.S. citizenship claims and supported requiring responsible entities to verify both citizenship and immigration status through SAVE using biographic data and a government-issued numeric identifier. A commenter, citing HUD's own Regulatory Impact Analysis that 97 percent of owners and 92 percent of PHAs have mixed-status families representing fewer than five percent of assisted households, argued the administrative burden of entering information into SAVE is an extension of processes most responsible entities already use rather than new infrastructure, and was not aware of a less burdensome alternative that would still close the statutory gaps.

Commenters supported the rule as a tool to reduce fraud, improve program integrity, and protect limited housing resources through stronger documentation and verification standards. A commenter identified a specific residual loophole the rule does not reach: because live-in aides are not counted as "family members," they are not subject to the rule, and the commenter's agency has live-in aides who may lack eligible immigration status and is uncertain how to designate their status on Form HUD-50058, with some flagged on the EIV-SAVE Tenant Matching Report as possible compliance gaps; the commenter also reported inconsistent guidance on the "I have eligible immigration status and am 62 years of age or older" declaration and asked HUD for definitive guidance, adding that the proposed rule and the Crosswalk of SAVE System Responses and Section 214 Eligibility promote transparency while maintaining Fair Housing compliance.

A commenter working in tax-credit and USDA farm-labor housing management identified a specific mechanism: households over the income limit add members to the

household to reduce counted income by adding non-working members who show no recorded income because they cannot legally work but often work under the table, which lowers the household's counted income and qualifies it for subsidies—a pattern the commenter estimated at about 20 percent of the USDA households observed. A commenter who investigated welfare and food-stamp fraud argued that ineligible noncitizen parents receive aid for U.S.-born children while claiming no income, and identified a specific mechanism—parents using a minor child's or someone else's Social Security number for employment and failing to report those earnings, which keeps the child's benefits at the maximum and the household's HUD rent at the minimum—while seniors on small Social Security stipends wait up to five years for a rent-reduced home.

Commenters pointed to Home Forward, the housing authority in Portland, Oregon, alleging it prioritizes immigrants and refugees over Americans and maintains vacant subsidized units, and urged HUD to require every adult and child on a public-housing lease to provide immigration status and to address voucher fraud. A commenter argued that requiring documentation for all members, including children, prevents fraud and abuse and enhances national security and administrative integrity. A commenter recommended removing all noncitizens including those on Temporary Protected Status from eligibility, limiting all housing assistance to a maximum of three years, penalizing abuse with both incarceration and monetary fines equivalent to the amount fraudulently obtained, and removing equity-based eligibility guidelines.

A commenter argued the rule will help eligible families as landlords and managers who overlook American citizens in favor of ineligible tenants lose that opportunity, describing landlords charging roughly $1,200 per person, housing multiple people per unit, and not reporting the cash income. A commenter alleged a similar arrangement in San Diego County, alleging landlords collect about $1,500 per ineligible tenant in unreported cash while excluding

citizens. Commenters supported vigorous enforcement, including monitoring and prosecuting responsible entity staff who circumvent the rule.

**HUD Response:** HUD appreciates commenters' support for its strengthening of program integrity by requiring verification of all applicants and current participants, regardless of age. HUD agrees that the final rule will protect limited housing resources through stronger documentation and verification standards. Section 214 provides for eligibility based on select immigration statuses, and HUD's implementing regulations must remain consistent with statutory requirements. As explained in the preamble to the proposed rule, the rule applies to family members receiving assistance and, as such, does not apply to live-in aides, foster adults, or foster children, who are not assisted family members. PHAs should reach out to their local HUD office for assistance with reporting on the Form HUD-50058. HUD notes that time-limiting housing assistance is beyond the scope of this rule, but HUD is undertaking separate rulemaking (91 FR 10016) to provide PHAs and multifamily housing owners with flexibility to implement work requirements and term limits.

***4. Preserves limited resources for eligible citizens***

Commenters supported the rule on the ground that federal housing assistance is a limited resource that should be reserved for households whose members are all eligible under federal law, arguing that long waiting lists mean prioritizing fully eligible households to ensure scarce resources reach those who meet program requirements. A commenter argued that when ineligible noncitizens can no longer access benefits even indirectly, those units become available to waiting lists filled with American citizens and legal residents, shortening wait times and reducing pressure on the private rental market. A commenter pointed to the Section 8 voucher program as already oversubscribed in most areas, with families languishing on waiting lists for years while mixed-status households receive partial benefits that could otherwise go to fully eligible applicants.

A commenter argued that ending indefinite prorated assistance is what frees units, reasoning that a household continuing to receive prorated assistance without full verification leaves that unit effectively unavailable to another fully eligible household on the waiting list, so a temporary verification period allocates housing more fairly and efficiently. A commenter tied the rule to lowering housing costs during what the commenter characterized as an unprecedented affordability crisis, citing reports from organizations such as the National Low Income Housing Coalition that millions of low- and moderate-income households are cost-burdened, spending more than 30 percent of income on rent or mortgage. A commenter argued that families are denied assistance daily because housing authorities cannot compensate rents that have risen with the market.

Commenters framed the competition for scarce units in terms of specific populations waiting for help—homeless citizens, veterans, the elderly, and people with disabilities—and named jurisdictions where they perceive the shortage most acutely, including Los Angeles and Southern California and East Boston. A commenter cited HUD data that nearly 8.46 million rental households met the worst-case-housing-needs designation—likely eligible for at least one HUD program but not receiving assistance—and that the market rate for a two-bedroom apartment rose nearly 40 percent over five years, to argue that this limited resource should go to eligible families. A commenter argued that a 5.1 million net increase in the foreign-born population from March 2022 to March 2024 coincided with increased rents and growth in housing demand—noting subsidized rents are typically discounted 60 to 70 percent below market and capped at 30 percent of tenant income—and that reserving assistance for eligible households eases that pressure. A commenter argued that subsidizing ineligible households is taxpayer money incentivizing unlawful entry rather than the economic contribution its defenders describe. A commenter argued that mixed-status or fully ineligible families potentially at risk of losing housing must be weighed against citizens still waiting years for vouchers. A commenter

cited a wait of three years and seven and a half months for a 30-percent-AMI apartment in an elderly LIHTC property in North Carolina.

Commenters argued the rule reinforces that housing programs were fundamentally intended for the American people and that eligible citizens and legal residents should not be displaced by ineligible households. A commenter argued that families made up entirely of citizens with a disabled member on SSDI, and descendants of American chattel slavery, should have priority for this housing over healthy noncitizen households, citing a waiting list decades long. A commenter cited being homeless with four children in 2004 and unable to obtain Section 8 or low-income housing despite urgent need, and supported the rule so that limited assistance reaches eligible families in crisis. A commenter alleged that in the commenter's area ineligible households occupy subsidized two-to-four-bedroom apartments renting around $3,000 per month while paying only $300 to $700 themselves, that citizens wait ten years or more for affordable units while immigrants reportedly obtain them in one to two years through expedited nonprofit assistance, and that unreported income lets these households qualify.

**HUD Response:** HUD thanks the commenters for their support of the rule and acknowledgment that the most significant effect of this rulemaking would be to transfer housing assistance from mixed families, which contain some ineligible individuals, to fully eligible households who take their place. As HUD's Regulatory Impact Analysis explains, this transfer occurs because there are more individuals eligible for assistance than there is available assistance, and the estimated value of the assistance transferred to incoming fully eligible households ranges from $167 million to $218 million. HUD agrees that reserving this limited resource for households whose members are all eligible under federal law directs assistance consistent with Section 214.

***5. Protects taxpayer funds and improves adherence to the rule of law***

Commenters supported the rule on the ground that taxpayer-funded housing assistance should not flow to individuals who are not lawfully present, arguing that tax dollars are collected

from citizens and should benefit citizens and eligible noncitizens rather than subsidize ineligible noncitizens. A commenter argued that taxpayers fund HUD's programs with the expectation that resources reach eligible American families, and that every day the rule is not in effect, assistance that could go to a waiting eligible family may go to ineligible noncitizens. Commenters argued the current allowance of assistance to mixed-status households is a pull factor that incentivizes illegal immigration, and that removing it protects the fiscal integrity of the programs. A commenter argued that for every ineligible person who receives state or federal dollars through programs such as Section 8 or Medicaid, a citizen in need loses out. Commenters asked HUD to confine assistance to citizens and lawfully present residents and to protect taxpayer dollars given significant cost growth. A commenter asked HUD to investigate two Los Angeles city council members the commenter alleged are diverting taxpayer money to ineligible recipients.

Commenters supported the rule as a matter of upholding the law, arguing that individuals who entered or remain in the country without legal authority should not receive housing subsidized by taxpayers, whether prorated or not, and that not following the law should carry consequences even if doing so causes hardship. Commenters distinguished legal immigration, which they said they support, from illegal immigration, framing the rule as fairness to citizens and to immigrants who completed the lawful process. A commenter argued that a legal citizen can readily prove status with a birth certificate or Social Security card without waiting months, and that legal citizens and lawful immigrants who need help are shut out because application lists are closed and funds have gone to ineligible noncitizens.

A commenter argued that lawful applicants undergo an extensive documented waitlist process and questioned why an ineligible household would face a lesser process. A commenter argued that public housing should be for those lawfully present the same way other federal resources are conditioned on legal status, analogizing that the government would not allow resources to further other civil violations such as fraud or criminal violations such as drug dealing, and giving the example that a homeless veteran who served the country should take

priority over an undocumented household. A commenter urged HUD not to withdraw the proposed rule and to direct assistance to those most in need but deserving. A commenter argued that widespread circumvention of immigration laws over a long period has eroded the rule of law.

**HUD Response:** HUD agrees that U.S. taxpayer funded housing assistance should be available only for eligible U.S. citizens and individuals with eligible immigration status as required by law and implemented in this final rule.

***6. Increases self-sufficiency***

Commenters supported the rule as consistent with values of self-reliance and work, arguing that assistance should encourage employment and self-sufficiency rather than long-term dependence. A commenter argued the rule promotes self-reliance and integration, that eligible immigrants meeting the criteria will still receive assistance, and that it restores confidence that taxpayer funds are used efficiently while encouraging legal pathways and compliance. A commenter argued that self-sufficiency is a core American value that should be expected of foreign nationals within the United States. A commenter supported reserving assistance for seniors, veterans, and people with disabilities and argued able-bodied recipients should work. A commenter framed removing assistance to ineligible households as freeing resources to subsidize families and homeless people rejoining the workforce. A commenter argued that declining to subsidize what the commenter described as "unlawful presence" is not unkindness but avoids enabling continued unlawful conduct.

**HUD Response:** HUD thanks commenters for their support and agrees that U.S. taxpayer funded housing assistance should be available only for eligible U.S. citizens and individuals with eligible immigration status as required by law and implemented in this final rule.

**B. Comments in Opposition to the Rule**

***1. Rule would not create any new solutions***

Commenters argued that the proposed rule is unnecessary because the existing proration framework already ensures that no federal housing subsidy is provided on behalf of household members who lack eligible immigration status, so the rule's stated integrity objective is already met and the rule is unnecessary. Commenters stated that section 2(a) of Executive Order 14218 "Ending Taxpayer Subsidization of Open Borders" is also satisfied because ineligible members receive no assistance and instead pay their own share of rent. Commenters further argued that the rule conflicts with congressional intent because Section 214 contains no time limit on prorated assistance, and that HUD cannot point to statutory language authorizing the indefinite-proration bar it asserts. Further commenters asserted that the current system works and that no program-integrity problem justifies the change.

Commenters objected that, because ineligible members already receive nothing, the rule addresses no actual loophole and would produce no fiscal savings while imposing new costs. Commenters contended that because proration limits the subsidy to eligible members only, mixed-status households already receive a reduced subsidy and pay a correspondingly higher share of rent, so the rule would displace paying households without freeing any assistance for others. Commenters asserted that the rule contradicts the agency's own Regulatory Impact Analysis, which projects that the number of eligible individuals receiving assistance would fall from approximately 55,100 to 24,100—a reduction of more than 56 percent. They further drew on the RIA to argue the rule would raise costs, stating HUD would need an additional $311 million to $385 million to serve the same number of households. Commenters noted that pro-rating the assistance to only provide assistance to eligible individuals mirrors how other federal benefit programs, including SNAP, operate.

Commenters argued that household members have already attested to eligibility under penalty of perjury and the existing attestation system operates without a demonstrated problem, so a new documentation mandate duplicates existing safeguards while burdening housing agencies without added resources.

Commenters contended that the higher rents paid by mixed-status households let housing providers serve more families overall and offset the cost of assistance for others, many of them citizens, so eliminating those households would reduce, not expand, available assistance. Commenters disputed the premise that vacated assistance would simply be redirected, noting that in tight markets it cannot be, and citing the HUD Housing Choice Voucher dashboard showing California housing authorities using 104.2 percent of budget authority yet able to fund vouchers for only about 88.7 percent of authorized households. Commenters added jurisdiction-specific cost detail, noting that in 2024 nearly 80,000 people in about 20,000 mixed-status families in Oregon and nationally earned an average income well below program limits, and that where an agency cannot reissue vouchers after a family exits, each replacement household would require a higher subsidy—approximately $4,900 more per person on average.

**HUD Response:** HUD disagrees that the existing proration framework makes this rule unnecessary. An individual without verified eligible status living in a mixed household receiving long-term prorated assistance is benefitting from HUD financial assistance in a way that is prohibited by Section 214. Section 214 applies specifically to certain HUD financial assistance and prohibits the Secretary from making financial assistance available to persons other than U.S. citizens or specified categories of eligible noncitizens. Under HUD's current regulations, prorated assistance may continue indefinitely, so an individual whose eligible status has never been verified may reside in an assisted unit and benefit from HUD financial assistance on a long-term basis. The fact that assistance is prorated does not cure that result; it is the continued, unverified receipt of a HUD-subsidized benefit that Section 214 does not permit. This rule addresses that gap by making prorated assistance a temporary condition pending verification of the eligible status of all family members, where permitted by statute, and by requiring documentation and verification of citizenship and eligible immigration status. These changes bring HUD's regulations into greater alignment with Section 214 and are consistent with section 2(a) of Executive Order 14218.

HUD disagrees with the assertion that the rule is unnecessary because household members have already attested to eligibility. This assertion does not account for the operational reality that not all household members have previously claimed eligible status. Under current regulations, individuals can choose "not to contend" their status or may fall under past age exemptions, meaning their eligibility has never been formally addressed. The rule closes these gaps and establishes a timeline to give these individuals the time required to establish eligibility.

The current framework allows, but does not require, the request of additional documentation from individuals who submit a declaration of U.S. citizenship. The new requirements at 24 CFR 5.508 bring uniformity by requiring all individuals, regardless of age, who declare themselves to have U.S. citizenship to provide appropriate documentation, as well as a verification consent form to consent to responsible entities' review of submitted documents. This rule requires the responsible entity to review the evidence documents to verify citizenship.

HUD does not agree that the rule produces no benefit or that its costs are unjustified. As the RIA explains, the principal economic effect of the rule is to redistribute tenant subsidies from mixed families that contain ineligible individuals to households composed solely of eligible members, providing HUD the authority to reprioritize rental assistance for households with eligible citizenship or immigration status as required by law. Because there are more individuals eligible for assistance than there is assistance available, the assistance relinquished by exiting mixed families would be provided to fully eligible households on waiting lists. HUD acknowledges these transfer and cost implications, which the RIA identifies, including quantifiable upfront costs for responsible entities and tenants estimated at $17 million to $33 million. Under HUD's default fixed-budget scenario, any supplemental subsidy needed to preserve the identical number of assisted family members is held to zero in that scenario. The obligation to comply with Section 214 applies regardless of these transfer and fiscal effects.

***2. Objections to verification methods***

***A. Verification mechanics & SAVE process complexity***

Commenters focused on the operational mechanics of the proposed verification requirements, arguing that requiring all household members to be verified through SAVE—including U.S. citizens and participants previously eligible to self-certify—would replace a streamlined process with a complex, multi-step one prone to error and delay. Commenters argued that the multi-step design multiplies the points at which an eligible citizen can be delayed or wrongly screened out, and that the added bureaucratic steps increase the administrative burden on both participants and program staff. Commenters asked the agency to retain the simpler existing process rather than adopt the two-stage requirement.

Commenters described the two-stage primary/secondary verification structure as inherently complicated and inconsistent. A commenter argued that when primary verification fails, secondary verification is not a single uniform process but varies by the document submitted and relies on PHA or owner staff to manually review documents, producing an overly long process with inconsistent outcomes, delays, or denials, followed by a complicated appeals process. A commenter noted that responsible-entity staff would have to learn how SAVE works, master the distinction between primary and secondary verification, and handle and retain sensitive documents. A commenter argued that HUD's administrative-burden table ignores the effectively unquantifiable burden of dealing with SAVE's inevitable failure to return accurate results, which would generate a potentially enormous volume of administrative hearings and document-production demands on both agencies and low-income tenants that the analysis never accounts for.

Commenters objected that the rule eliminates the long-standing "do not contend" option and signed declarations of citizenship, replacing a workable attestation with a system that cannot deliver reliable citizenship results. A commenter argued that requiring persons aged 62 and older to submit at least one document for SAVE evaluation exceeds the statutory obligations of the Housing and Community Development Act, which expressly subjects those aged 62 and older to a different, less demanding verification standard.

Commenters also objected to the verification consent form itself, noting that it would function as notice to households that responsible entities must report suspected immigration violations to DHS. A commenter explained that renters who self-certify would have to sign both the existing declaration and a newly required verification consent form agreeing to submission of their information to SAVE, and that the form doubles as notification that responsible entities must inform DHS immediately whenever staff determine a household member is present in violation of the Immigration and Nationality Act.

Commenters challenged the proposed record-correction mechanism at 24 CFR 5.514(d)(4) as inadequate, contending that a citizen falsely flagged by SAVE bears the burden of correcting the record and may be evicted on the basis of an erroneous result even while that result is being contested.

**HUD Response**: HUD disagrees that the requirements to utilize SAVE to verify individuals' status would be a novel operationally complex process. Responsible entities are already required to use the DHS-administered SAVE program to verify eligible immigration status and should therefore have familiarity with it. Comments that specifically object to the complexity of navigating a two-stage primary/secondary verification process, or comments that responsible entities will need to learn how to handle and process sensitive documentation, overlook that responsible entities must already be using these processes regularly for the verification of most eligible noncitizens in their programs.

HUD acknowledges that the requirement to verify more individuals' statuses in SAVE will increase administrative burden on responsible entities. The Regulatory Impact Analysis estimates that 19,660 U.S. citizens or eligible noncitizens in affected programs have not already provided proof of citizenship or eligible immigration status, and that 730 immigrants who previously chose not to contend their eligibility status would pursue verification. However, this verification is necessary to ensure that individuals are not benefiting from HUD financial assistance in a way that is prohibited by Section 214. Consequently, HUD cannot accept

recommendation to retain an existing simpler process like accepting signed declarations in isolation.

The SAVE program also offers prospective, new, or current user agencies several trainings and customized tutorials to meet their specific needs, the information for which is easily accessible online at https://www.uscis.gov/save/current-user-agencies. SAVE tutorials help users utilize SAVE correctly and efficiently and provide information about: SAVE and the verification process, SAVE CaseCheck, commonly used immigration documents and where to find immigration enumerators, common case responses, best practices for additional verification, managing cases, and administering SAVE accounts. Additionally, SAVE users are required to review the online tutorial and certify completion of the tutorial before they will be able to create new SAVE cases.

HUD agrees that secondary verification is not a uniform process but may vary, as the requisite documents depend on an individual's immigration status. SAVE is an evolving program that may be able to utilize certain information or documents in the future, so HUD is seeking to provide enough flexibility in its regulations to account for changes in SAVE's capabilities.

However, as noted, HUD is undertaking this rulemaking to better align its regulations with the wording and purpose of Section 214. Even if requiring verification of U.S. citizens and individuals aged 62 or older involved a modest increase in the operational complexity of the verification process, HUD believes it would be warranted to ensure that housing assistance is provided only to eligible individuals.

Finally, HUD disagrees that the consent form creates a new substantive reporting obligation. Rather, it informs applicants and participants of verification requirements and of circumstances in which information may be transmitted to DHS pursuant to existing laws and regulations. The fact that an individual is required to sign the verification consent form does not itself indicate that a responsible entity suspects that the individual has violated immigration law, nor does submission of information to SAVE constitute such a determination.

To commenters arguing that the "do not contend" option and signed declarations of citizenship should be maintained, HUD would note that the preamble to the proposed rule explains why HUD believes the option to not contend eligible immigration status is not consistent with the wording and purpose of Section 214. The preamble to the proposed rule also explains that HUD is requiring applicants and tenants to submit evidence of U.S. citizenship to responsible entities with any declaration of U.S. citizenship. This will better align HUD's regulations with the wording and purpose of Section 214, and it will better ensure that assistance is provided only to eligible individuals.

***B. Housing as an immigration enforcement tool, and data security & personally identifiable information (PII) exposure***

Commenters objected that the rule, particularly in combination with the March 2025 HUD-DHS data-sharing memorandum, would impermissibly move HUD into immigration enforcement and conscript housing providers into a federal immigration-enforcement role that lies outside their statutory mission, expertise, and capacity. Commenters argued that proposed § 5.508(d)(4) would require housing staff to inform DHS whenever personnel determine that a household member is present in violation of the Immigration and Nationality Act, but that a housing authority's expertise is in housing, not immigration enforcement, and its staff are not equipped to make such determinations, both because of lack of expertise and a lack of resources. Commenters said that this determination requirement turns housing into an immigration enforcement instrument, exceeding HUD's role and twisting the intent behind Section 214.

Commenters objected specifically to the DHS reporting requirement in § 5.508(e)(2)(vi), arguing it would convert providers into reporting agents and damage the provider-tenant trust essential to property management. Commenters argued the rule would force owners to become extensions of federal immigration enforcement, requiring owners and PHAs to immediately report undocumented household members under § 5.508(d)(4). Commenters warned that if participants believe disclosing family composition to their property manager may result in an

immigration referral, they will withhold information or conceal household members, undermining effective property and program management.

Commenters argued the rule violates the Tenth Amendment by conscripting state and local agencies into federal immigration enforcement. They raised an anti-commandeering objection, arguing that by forcing public housing agencies to administer the re-verification process and comply with enhanced DHS reporting, the rule shifts the cost and implementation of federal immigration policy onto state and local agencies in a manner that contravenes the Tenth Amendment's anti-commandeering doctrine.

Commenters argued that the new verification process creates serious privacy risks by expanding collection and cross-agency sharing of sensitive personal data. Commenters contended that DHS retains the personal information routed through SAVE for as long as a decade—even when it confirms citizenship—exposing tenants to lasting security, privacy, and misuse risks well beyond the initial verification, a concern documented in the voting-rights context. A commenter argued that a cohort of secretaries of state from twelve states has opposed SAVE's use on privacy grounds and that its use here conflicts with California laws protecting immigrants and privacy generally.

Commenters emphasized that the rule itself supplies no adequate safeguards for the data it would amass. A commenter argued that the rule is silent on how PHAs should reconcile the mandate with stricter state PII laws governing protected-information definitions, retention, and notice, and that providers need defined liability standards and safe-harbor protection when relying on federal verification outcomes outside their control. A commenter argued that proposed § 5.508(d)(3) affirmatively disclaims HUD responsibility for downstream use or disclosure despite the statute's command to protect such information "to the maximum degree possible," exposing providers to legal and privacy risk over data practices beyond their control. A commenter argued that requiring responsible entities to collect, photocopy, and store sensitive biographic and government-issued data for every household member—and retain it for five

years—increases the risk of identity theft and data breaches. Commenters argued that the rule undermines the Violence Against Women Act's housing protections—codified at 34 U.S.C. § 12491 and implemented through 24 CFR part 5—by forcing survivors' information into DHS systems, contrary to Congress's confidentiality intent.

Commenters warned that the custodians of this data have poor track records, citing a 2024 HUD Inspector General finding that HUD maintained a significant number of PII records with limited zero-trust controls, compounding the risk of entrusting more sensitive data to the agency, that four of the six resulting OIG recommendations remain outstanding, and that HUD OIG's December 2025 top-management-challenges report reiterated these information-security weaknesses. Commenters stated that broadening SAVE access beyond a small group of employees would require expanded staff access and comprehensive agency-wide training.

Commenters argued that the rule runs headlong into the Privacy Act's computer-matching provisions. A commenter argued that the rule identifies no computer-matching agreement authorizing HUD to compare participant data against the overhauled SAVE system, so that absent such an up-to-date agreement HUD's comparison of participant records violates the Privacy Act's computer-matching restriction—the definition of a "matching program" reaching any computerized comparison of automated systems of records. A commenter added that HUD's earlier cross-referencing of its data with SAVE to generate the EIV-SAVE tenant matching reports itself likely exceeded the uses tenants consented to.

Commenters stressed that these risks fall hardest on vulnerable tenants. A commenter argued that the accumulation of citizenship and immigration data in federal systems poses particular risks for people with disabilities, who may rely on others to navigate administrative processes and be less able to identify or contest erroneous data. A commenter argued that, given arrests of noncitizens at court hearings, of noncitizens married to citizens, and even of U.S. citizens, qualified participants will fear that sharing documentation with HUD exposes them to DHS.

**HUD Response:** HUD disagrees with commenters' contention that the rule newly requires housing agencies to share tenant data with immigration authorities, and with the contention that it affirmatively converts public housing agencies into immigration enforcers by requiring them to report household members they know are unlawfully present to DHS.

The verification the rule requires is limited to confirming eligibility for Federal housing assistance. Section 27 of the United States Housing Act of 1937, added in 1996, already requires HUD to furnish DHS with the name, address, and any identifying information of any individual whom HUD knows is not lawfully present in the United States. Section 27 further requires HUD to require that public housing agencies furnish such information. This is a longstanding requirement, and additional guidance was published in the *Federal Register* over twenty-six years ago (65 FR 58301). The guidance on this longstanding reporting mandate has made clear that any finding or conclusion of unlawful presence must be supported by a determination by DHS or the Executive Office for Immigration Review, so the concern that this reporting requires housing agencies to make legal determinations they are not equipped to make is unfounded.

Responsible entities do not make immigration determinations; they rely on DHS-administered SAVE to verify U.S. citizenship and immigration status. Furthermore, under proposed § 5.512(f), a responsible entity is not liable for any action, delay, or failure of DHS in conducting verification.

SAVE responses clearly indicate U.S. citizenship or immigration status which responsible entities can map to their eligibility categories. As noted above, the SAVE program also offers prospective, new or current user agencies several trainings and customized tutorials to meet their specific needs, the information for which is easily accessible online at https://www.uscis.gov/save/current-user-agencies. SAVE tutorials help SAVE users utilize SAVE correctly and efficiently and provide information about: SAVE and the verification process, SAVE CaseCheck, commonly used immigration documents and where to find immigration enumerators, common case responses, best practices for additional verification,

managing cases; and administering SAVE accounts. Additionally, SAVE users are required to review the online tutorial and certify to completing the review in the SAVE system before they will be able to create new SAVE cases.

The reporting obligation identified by commenters is not a new enforcement role created by this rule because determinations of status for purposes of the Immigration and Nationality Act are the responsibility of the Department of Justice, not of any other agency. The final rule, however, does impose a new, parallel reporting obligation on Section 8 project-based rental assistance (PBRA) owners (as responsible entities) in the circumstances specified in 5.508(e)(2)(vi). Public housing agencies are already subject to the reporting requirement under section 404 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), as clarified in the 2000 Interagency Notice (65 FR 58301). Revised § 5.508(e)(2)(vi) provides that PHAs or owners, as applicable, may meet that requirement by conforming with applicable Federal Register notices, and proposed § 5.508(d)(4) requires the verification consent form to notify individuals of this longstanding obligation.

This final rule affirms the longstanding reporting requirement under PRWORA, ensuring applicants and existing households have notice of PHAs' obligation to comply with section 404 of PRWORA, and provide individuals with notice of this obligation on PHAs.

HUD acknowledges that this rulemaking will adversely affect some tenants and applicants for Section 214 covered programs, especially mixed families and ineligible noncitizens. HUD recognizes the concern that the verification requirement could discourage some potentially eligible citizens and noncitizens from applying; the RIA expressly acknowledges this possible reduction in take-up. HUD has taken steps to mitigate that effect: primary verification is conducted by the responsible entity through SAVE without requiring the applicant to assemble documents in advance, responsible entities must notify affected tenants of the requirement within 30 days of the effective date, and extensions of time to submit evidence are available under revised 24 CFR 5.508(g)(2).

HUD appreciates the concerns articulated by commenters about the security of individuals' personally identifiable information, and HUD agrees that responsible entities need to reduce exposure risks with good data security practices. Responsible entities will be creating more queries in SAVE, but their practices for safeguarding personally identifiable information should be well established since they have been using this system for years. The security protocols used by DHS to protect information submitted to SAVE are outside the bounds of this rulemaking. While responsible entities may establish access to SAVE through HUD, the results of queries created by responsible entities are stored in SAVE and maintained according to National Archives and Records Administration (NARA) retention schedules, not in a separate database created and maintained by HUD. Responsible entities utilizing SAVE to verify the immigration status of an individual submit required information directly to DHS, and responsible entities report to HUD their determinations about an individual's status on the basis of those SAVE queries.

Prior to this rulemaking, 24 CFR 5.508(d)(3) already provided that the verification consent form must inform individuals that HUD is not responsible for the further use or transmission of evidence or other information by DHS. The final rule maintains an existing status quo on that point. The rule likewise makes no change with respect to the rights of survivors of domestic violence, dating violence, sexual assault, and stalking. Furthermore, the final rule maintains existing regulatory provisions at 24 CFR 5.508(d)(3) that limit release of evidence to DHS to the purpose of verifying an individual's U.S. citizenship or eligible immigration status and not for any other purpose.

Commenters objecting to the lack of reference to a computer-matching agreement in this rulemaking misunderstand how responsible entities submit queries to SAVE. Responsible entities' use of SAVE is not a matching program under the Computer Matching and Privacy Protection Act of 1998 and does not require a computer-matching agreement. The 2026 EIV-SAVE tenant matching activity referenced by some commenters is distinct from the verification

process established by this rule; that activity used a different methodology and is not the mechanism this rule adopts, under which responsible entities submit individual inquiries directly to DHS.

***C. SAVE operational capacity / delays***

Commenters argued that SAVE remains untested and still under construction, and that relying on an unfinished program to determine housing eligibility will harm citizens and immigrants alike while creating massive administrative burdens inconsistent with HUD's mission and the rule's stated purpose. Commenters argued that SAVE was built to verify the immigration status of noncitizens, not the citizenship of U.S. citizens, and that pressing it into this new role is fundamentally unsound. Commenters stated that the system's known limitations and delays could wrongfully deny assistance to eligible citizens struggling to clear secondary-verification hurdles. A commenter argued that using a completely untested and unfinished SAVE system to determine housing eligibility violates participants' due-process rights under the federal and California constitutions.

Commenters emphasized that HUD's own preamble concedes SAVE cannot process the most common proof-of-citizenship documents—birth certificates and U.S. passports—and cannot review certain other citizenship documentation at all, forcing a significant number of HUD participants —including U.S. citizens—into documentary secondary verification, shifting burden onto participants and providers. A commenter argued that HUD lacks comprehensive citizenship records and does not capture all naturalized or derivative citizens, including many born before 1978. A commenter argued that even documented individuals face significant doubt about SAVE's ability to verify their status timely and accurately, especially for people who have changed their names, including women who took their spouse's name after marriage.

Commenters expressed serious doubts about SAVE's accuracy, citing a documented history of errors in the voting-rights context and reports from the Brennan Center and a 2018

U.S. Commission on Civil Rights documenting inaccuracy in the data sets underlying SAVE. Commenters asserted that HUD omitted any reliability figures for SAVE's citizenship function because DHS has not made them public, that reported error rates run at least 14 percent, and that the true rate is therefore unknown. Commenters warned that PHAs experienced SAVE's unreliability firsthand under HUD's 2026 EIV-SAVE tenant matching directive.

Commenters objected that HUD proposes undefined "manual processes" and "manual record searches" that will waste enormous PHA staff time and still produce inaccuracies, and that HUD expressly declined to set any deadline for completing secondary verification because of SAVE's limitations—leaving families in limbo, paying unaffordable high rent while they wait, with some evicted because they cannot pay the prorated amount. A commenter argued that existing errors in the current system already produce harmful and likely unlawful HUD actions, and that expanding verification will increase wrongful denials, delays, and instability for vulnerable families.

Commenters emphasized that verification delays fall hardest on those least able to produce documents quickly, including participants with disabilities who face additional barriers in navigating various agencies to contest erroneous data. Commenters asserted that lower-income populations in general face difficulty in obtaining documents due to time, money, and transportation barriers. A commenter argued that survivors fleeing trafficking often cannot immediately access documentation—because withholding documents is a primary control tactic of traffickers—so verification delays will prolong homelessness and unsafe living conditions. A commenter argued that the rule removes the existing provision granting 30 days to appeal when secondary verification does not confirm status, that SAVE offers no appeal process, and that unlike current law—which stays PHA proceedings pending appeal—any termination or eviction would proceed while the participant scrambles to correct records; this risk would be compounded for larger households. A commenter argued that older adults forced through SAVE after removal of the age-62 exemption—facing technology, documentation, and mobility barriers—face

heightened risk of wrongful termination, especially for many older U.S. citizens who have no birth certificate at all.

**HUD Response:** HUD appreciates the concerns expressed about SAVE's ability to verify citizenship. In instances where SAVE does not accurately identify an individual as a citizen in the primary verification stage, the responsible entity will collect additional documentation from the individual that establishes their status. This approach mitigates the consequence of any failure to immediately verify citizenship by requiring follow-up and review. However, HUD disagrees with commenters' characterizations of the potential for widespread verification errors in SAVE. HUD cannot substantiate claims that SAVE itself has a high error rate when verifying citizenship or eligible immigration status. Commenters may be conflating the possibility of systemic errors in SAVE with the possibility of problems with a specific method for utilizing SAVE data. Commenters likewise do not establish that SAVE would be more likely to fail at the primary verification stage for individuals who lack any documentary proof of citizenship.

Commenters have not provided evidence that SAVE's primary verification has consistent errors when full information is provided in the initial inquiry, nor do they present evidence that SAVE responses are consistently inaccurate at the secondary verification stage. Commenters cite industry letters that focused on the EIV-SAVE tenant matching directive, not SAVE itself, and the differences in methodology, as discussed in response to other comments, undermine commenters' contention that there would be widespread verification errors in SAVE itself. Even where SAVE is used for primary verification, instances without an automated data match should not lead to a wrongful denial because the responsible entity is a) expected to submit a case for manual review as prompted when the system cannot generate an automated response, b) allowed to request a manual review when an automated response appears incorrect or is unexpected, and c) required to provide the family with the opportunity to request manual verification if they disagree with the automated response, and allow them to provide additional information and documentation.

To the extent that SAVE will be used for primary verification, the responsible entity should be able to quickly reconcile any data input errors by reviewing the documentation provided by the applicant or current tenant. Use of SAVE should not lead to a wrongful denial because the responsible entity is required to provide the family with the opportunity to provide additional information and documentation. Users may submit a case for additional verification if they received an unexpected response or have questions about the response. When SAVE is used for secondary verification, objections to undefined "manual record searches" incorrectly assume that responsible entity staff, rather than U.S. Citizenship and Immigration Services (USCIS) staff, will be required to perform such manual review.

The rule does not establish a timeframe on the completion of the secondary verification process because the time required may vary depending on the complexity of an individual's particular immigration status.

Moreover, HUD estimates that responsible entities already are collecting the documentary evidence necessary thus not significantly increasing administrative burden. The Regulatory Impact Analysis estimates that only 1.05 percent of existing tenants have not provided proof of citizenship or eligible immigration status for another purpose. Where that documentation has already been collected, responsible entities still bear the additional administrative burden of creating an inquiry in SAVE, and perhaps following up on that additional inquiry by uploading the documentation already on hand. 5.514(d)(4) is meant to advise families that any records will need to be corrected with the issuing agency; should the family request a hearing, the responsible entity should duly consider all information and documentation provided in support. The verification of consent form for individuals declaring U.S. citizenship is a new requirement. However, applicants and tenants already provide consent for releases of information during the screening and admissions process, for example the forms HUD-9886 and 9887. HUD disagrees this will deter eligible applicants and has accounted for the

light burden on current participants to review and sign the consent during their next annual or interim reexamination.

Comments that responsible entity staff lack expertise to distinguish immigration statuses or that staff lack training to create SAVE cases and interpret the results are concerning. Prior to this rulemaking, responsible entities were already required to use SAVE and to make determinations of whether individuals are eligible for assistance under Section 214. Responsible entities have been required to utilize SAVE to verify eligible immigration status since June 19, 1995, when the final rule implementing Section 214 of the Housing and Community Development Act of 1980 (60 FR 14816) became effective. Responsible entities must provide adequate training to staff to make eligibility determinations as required by law. In addition, the rule would stagger deadlines for review of evidence of citizenship for current tenants, easing the logistical burden on the responsible entities.

HUD appreciates comments identifying the possible differential impact of the verification process on different individuals. 24 CFR 5.508 provides for extensions of time to submit evidence of citizenship or eligible status to accommodate such circumstances.

***3. Rule does not properly balance costs and benefits***

***A. Nonprofit & mission-driven provider impact***

Commenters representing nonprofit, faith-based, and mission-driven housing and service organizations argued that the verification requirements would fall especially hard on providers operating with volunteer labor, thin budgets, and populations that are difficult to document. A commenter noted that nonprofit and charitable organizations are statutorily relieved under PRWORA from conducting eligibility verification of the federal public benefits they administer but argued that the notice nonetheless signals such organizations should heed the policy, undercutting the exemption in practice. A commenter representing affordable senior-housing providers stressed that mission-driven senior communities would have to collect documentation

from HUD-assisted older adults who established eligibility years ago by declaration, diverting staff from tenant services.

A commenter representing Health Care for the Homeless providers quantified the burden, describing the rule as an expensive, time-consuming, unfunded mandate under which case managers—already responsible for obtaining client identification and documentation—would face substantial added work per client on top of existing caseloads. A commenter operating a community-integration service warned that its organization could not cover the expense of obtaining hundreds of discounted birth certificates and identification cards for the participants it serves. A commenter serving Puerto Rico noted that the requirements would impose disproportionate burdens on community-based housing intermediaries there, and a commenter serving low-income Californians argued that community organizations, social-services agencies, and legal-aid programs already overburdened by the housing and homelessness crisis would be pushed further. Commenters representing legal-services providers added that the resulting increase in evictions would divert and waste the resources of already-strained legal-aid and eviction-defense organizations, hindering their ability to serve clients.

Commenters representing nonprofit, community-based, and service-provider organizations argued that the new verification requirements would impose significant administrative strain on providers already operating with limited staff, reducing the capacity of housing clinics, service programs, and survivor-support organizations to serve their clients.

**HUD Response**: HUD acknowledges that the rule would impose some administrative costs, as reflected in the Regulatory Impact Analysis, and it has weighed those costs in developing the final rule. Some additional administrative costs are inevitable to ensure that only eligible individuals receive assistance—for example, responsible entities will be required to obtain documentation of eligible status or to create additional inquiries in SAVE. To the extent that these additional costs are required to verify individuals' eligible status, HUD believes such costs are justified to ensure compliance with Section 214.

A potential source to lower the document costs is to use reduced or waived fees, if applicable in your state, when obtaining any of the required documents. In accordance with state law, some states already have reduced fees or no fees at all for certain categories of individuals. For example, those experiencing homelessness in Washington state can obtain their U.S. birth certificate with no fee. Likewise, those experiencing homelessness in Pennsylvania or California can apply for a birth certificate with fees waived. In addition, responsible entities are required to provide information on the changes in this rule once it becomes effective; this should help give tenants and applicants time before their annual recertification or application to secure the required documents needed. Also, responsible entities have the flexibility to give an extension of time to submit evidence of citizenship or eligible status (e.g., a 30-day extension period, or up to 60 days, based on the circumstance of the individual case).

Finally, although charitable organizations are currently exempt under PRWORA, it does not relieve States or other governmental actors from the requirements to ensure that all relevant programs are in compliance with PRWORA. Additionally, this rule aligns HUD's requirements with Section 214, which prohibits the Secretary of HUD from making financial assistance available to any persons other than United States citizens or certain categories of eligible noncitizens in HUD's assisted housing programs.

***B. Operational & fiscal burden on housing providers leading to decreased housing provided overall***

Commenters argued that the rule would impose a substantial and largely unfunded mandate creating administrative and fiscal burdens on public housing agencies and other housing providers, diverting scarce staff time and resources away from their core housing mission. A commenter drew an analogy to a February 2025 Executive Order and related federal efforts requiring states to re-verify immigration status for Medicaid and other programs, arguing that such re-verification mandates create administrative burdens for the agencies that must carry them out.

Commenters emphasized the operational strain of re-verifying entire assisted populations, arguing that the rule would require agencies to re-screen every household member—including U.S. citizens and long-tenured participants who established eligibility years ago by declaration—at each recertification, generating recurring work far beyond initial intake. Some commenters suggested this would constitute re-processing as many as millions of already-compliant households.

Commenters described the practical mechanics of compliance as a major operational undertaking, requiring agencies to revise their Administrative Plans and Admission and Continued Occupancy Policies (ACOPs), rebuild forms and notices, reprogram or reconfigure information systems, retrain staff, and stand up new document-collection and consent-tracking workflows before the rule could be implemented.

Commenters warned that the rule would increase processing time and slow leasing and lengthen vacancies, as households caught in re-verification, proration, or termination would leave units offline longer while agencies process hardship cases and turnover, reducing the housing actually available and cutting into program income. Commenters also said the more complicated implementation would increase paperwork, delays, and error rates without a demonstrated benefit.

Commenters argued that the added procedural steps would multiply informal hearings, grievances, and eviction proceedings, each of which consumes staff and legal-review time, so the rule would convert routine recertifications into contested, resource-intensive cases.

Commenters contended that HUD's regulatory impact analysis significantly understated the true administrative cost, arguing that it omitted the staff hours, system changes, legal review, and turnover costs the rule would impose and failed to account for the cost of upending existing eligibility frameworks, leaving the analysis unsupported. Commenters challenged HUD's characterization of the rule as reducing regulatory burden. Commenters argued that the rule contradicts the Administration's stated deregulatory goals by adding layers of administrative

complexity rather than streamlining program operations. A commenter argued that departures impose significant turnover costs, since owners must refurbish, market, and re-lease units and lose income during vacancy. A commenter contended that turnover requires staff time, unit turns, and recertification of new households, all straining budgets with no new funding. A commenter added that the economic analysis fails to meaningfully evaluate turnover costs for owners and expanded verification costs for smaller entities. A commenter asserted that turnover costs run $10,000-$20,000 just to evict and rehab an apartment, on top of administrative costs and rent loss.

Commenters argued that the RIA understates costs to housing providers by assuming repairs are the only turnover cost and omitting lost rent receipts, which a commenter estimated at $14.5-$18 million based on the family's rent share across 16,000 to 20,000 households. Commenters objected that HUD limited its analysis to local moving costs assuming no moving company and discounted tenant contest of eviction, ignoring the fearful environment of displacement. A commenter added that HUD failed to consider eviction and turnover costs for non-mixed-status families unable to produce required documentation.

A commenter maintained that if half the mixed families vacated, one authority would have at least 400 units vacant for an extended period, lowering its assessment score. A commenter added that certification changes must flow through TRACS, raising the volume of interim recertifications, subsidy corrections, and errors.

Commenters warned that agencies are already stretched thin, chronically understaffed and underfunded. Commenters representing agencies of varying size described disproportionate impacts on small, rural, tribal, and under-resourced agencies, which lack the dedicated staff, legal capacity, and systems to absorb the new verification, training, and compliance work. Commenters stressed that small and rural agencies operating with a single staff member or minimal capacity would be especially strained. A commenter estimated one-time costs of $300,000 for notices and outreach and $100,000 for staff training at a single authority. A

commenter asserted that a single authority faces a $100,000 revenue decrease and $270,000 cost increase, a $370,000 total budget impact. A commenter added that a reduction of just 35 vouchers or 15 public-housing units equates to the cost of one staff position. A commenter maintained that housing authorities are already running past their budgets, citing the Los Angeles County Housing Authority spending 102.55 percent of its proposed budget allocation, and that verifying every household member through SAVE at one hour each would add an estimated 898,550 administrative hours to an overburdened system.

Commenters disputed HUD's suggestion that agencies could absorb administrative costs by diverting funds from existing programs, arguing federal cuts have already exhausted such flexibility, including efforts to fund emergency-housing-voucher tenants.

Commenters maintained that the added determinations, grievances, and process steps would increase legal and litigation exposure and administrative costs for agencies.

Commenters urged HUD to withdraw the rule or, at minimum, provide funding and staffing commensurate with the new obligations.

Commenters—including individual landlords, property investors, owner and property-manager associations, and housing organizations—argued that the rule would erode the private-owner participation on which the Housing Choice Voucher (HCV) and Project-Based Rental Assistance (PBRA) programs depend. A commenter argued that HCV success depends on sustained participation by private landlords, which in various jurisdictions is already constrained by market competition, administrative burden, perceived program risk, and payment uncertainty, and that the rule would worsen each of these pressures. A commenter representing a large urban program stressed that HCV depends on thousands of private landlords and that undermining private-sector participation threatens program viability. A commenter noted that annual voucher allocations already go underused where landlord participation and administrative burden are obstacles, and that the rule would enlarge that gap. A commenter warned that added document requirements and tenant turnover risk the discontinuation of private-landlord participation,

reducing the supply of affordable and available units. A commenter explained a specific driver of that turnover, noting that mixed-status families would likely exit assisted housing to avoid separating from family members and that participants losing eligibility would raise turnover, and that even a small increase in turnover strains a property's financial health. A commenter representing residential property managers urged HUD to confirm explicitly in any final rule that HCV property owners and managers are not responsible entities under Section 214, bear no independent obligation to verify immigration status or make eligibility determinations, and are not subject to the reporting obligations of proposed § 5.508(d)(4) and (e)(2)(vi).

Commenters emphasized payment disruption and turnover costs as direct financial harms to owners. A commenter explained that current proration allows landlords to receive predictable payments while maintaining tenancy, and that terminating or reducing assistance mid-tenancy would create significant payment disruption. A commenter noted that because a large share of monthly rent is subsidized for voucher households, any disruption to payments or increase in administrative costs may discourage private owners from participating. A commenter described how sudden loss of assistance leads to lease breaks, unpaid rent, vacant units, and re-leasing costs—units must be repaired, inspected, and re-approved before a new tenant can move in—and that these losses fall hardest on small landlords who cannot absorb them. A commenter representing owners in Section 214-covered programs stated that private owners would face administrative burdens and increased costs associated with eviction and unit turnover.

Commenters representing owners of Low-Income Housing Tax Credit (LIHTC) and other privately owned assisted properties warned of destabilized property finances. A commenter noted that a majority of mixed-status households receive assistance under HCV and PBRA in privately owned housing—estimating that roughly 60 percent of all HUD-supported housing is voucher-based in privately owned units—so eviction and turnover costs would fall substantially on private owners. A commenter explained that because LIHTC rents are capped, owners operate on thin margins, and a sudden increase in vacancies or eviction-related costs could destabilize a

property to the point that it cannot service debt or cover operating costs. A commenter described maintenance problems and lost rent from prorated families as harms to property viability and resident-council funding.

Commenters representing property-manager and owner associations, and individual small landlords, added practical objections. A commenter representing residential property managers stated that its members and the owners they serve are committed HCV participants who take their obligations seriously but should not be treated as responsible entities for immigration verification. A commenter owning more than 80 rental units in low-income neighborhoods called the proposal a poor financial decision given the difficulty of finding tenants who can afford unsubsidized rent. A commenter who accepted vouchers as a small landlord noted that many vulnerable tenants lack bank accounts, passports, or birth certificates, making the documentation demands unworkable. A commenter argued that reduced visibility into household composition would create safety risks for landlords in emergencies.

Commenters raised landlord-focused concerns that payment uncertainty would make it hard to stay in the program, that landlords could not absorb the loss during a lapse in assistance, that units would sit vacant and owners would lose income during turnover, and that the added paperwork and delays would discourage continued landlord participation in the Housing Choice Voucher program, reducing available housing.

Commenters representing rental-housing owner and manager associations argued that property owners, operators, and their on-site staff engage in identity and document checks for legitimate business reasons but are not equipped to police immigration laws. A commenter representing residential property managers emphasized that within the HCV program the PHA is the responsible entity under Section 214 and that private owners and managers are not responsible entities, bear no independent verification obligation, and need clear guidance and legal protection to respond appropriately when a PHA acts on an eligibility determination.

Commenters contended that the added documentation, reporting, and turnover burdens would deter private landlords from participating in the voucher and project-based programs, shrinking the supply of affordable and available units and undercutting HUD's own initiatives to expand landlord participation. A commenter argued that increasing the risk of mid-lease terminations from complex status-verification errors would push owners who value certainty and simplicity out of the program, wasting resources spent on landlord recruitment. A commenter maintained that the documentation requirements would impose substantial costs on owners that could discourage participation and undermine program effectiveness. A commenter argued that terminations damage the landlord network the voucher program depends on, with lease breaks and unpaid rent falling hardest on small landlords dependent on voucher income and lowering unit availability and utilization. A commenter contended that the rule runs contrary to research recommending expanded owner participation as a remedy to the housing shortage, by instead adding deterrents that would diminish an already limited supply.

Commenters warned that many voucher landlords are individuals owning one or two units who rely on that income, and that sudden termination of assistance for mixed-status households would create financial uncertainty that erodes confidence in the program. A commenter argued that the rule fails to adequately consider its damage to private landlords, who would bear eviction-litigation costs with low prospects of recovering unpaid rent from judgment-proof tenants. A commenter added that, with average assistance payments substantial relative to rent, cutting funding to affected households would impose large monthly economic losses on owners plus eviction and make-ready costs, discouraging continued business with the housing authority. A commenter maintained that new administrative burdens on private providers would deter many landlords from participating in subsidized programs, reducing affordable-housing supply. A commenter argued that the Section 214 documentation changes would place unnecessary administrative burden and cost on landlords, owners, and PHAs.

Commenters emphasized that payment disruption and unreimbursed operating impacts would fall directly on owners, affecting participation decisions. A commenter argued that HUD's assumption that increased per-unit subsidy costs would be borne by the government is uncertain given appropriations constraints, and that delayed payments, reduced contract rents, or fewer HAP-contract renewals would shift participation decisions, particularly in the discretionary PBRA program. A commenter warned that the loss of voucher funding tied to the new requirements could strain private affordable-housing owners at a time when economic occupancy is down in many major markets. A commenter argued that HUD failed to account for Section 8 property owners, who would lose the subsidy share of rent when a mixed household is terminated, face lengthy and costly eviction proceedings to recover units, and may find entire developments' financial viability jeopardized.

A commenter noted that a substantial share of vouchers—which make up a large portion of Section 214-covered units—are used in privately owned Low-Income Housing Tax Credit properties, and that roughly half of the tax-credit portfolio receives rental assistance, so eviction and turnover costs would fall heavily on those owners.

A commenter argued that requiring families to remove ineligible household members to qualify would, like existing removal-for-cause policies, often leave unauthorized occupants in place because proving unauthorized occupancy is difficult and resource-intensive, straining property-management resources.

Commenters emphasized that owners make participation decisions based on administrative burden, compliance risk, and payment predictability, and that terminating assistance for mixed-status households would break the good-faith reliance owners placed on stable subsidy payments.

Commenters characterized the rule's landlord impacts as damaging to program reputation and stability, adding that reduced participation would limit access for all voucher holders.

Commenters warned that squeezed owners might respond by deferring maintenance—with health-and-safety consequences—or by withdrawing from subsidy programs and converting units to market rate.

For the reasons described above, commenters argued that the rule would shrink the assisted-housing stock. Some added that these cuts would fall on already-scarce housing during an acute shortage, so that the reduction compounds existing need. One commenter relayed a tenant's account that, without funds to prepare vacated apartments for new tenants, many units would stay empty, deepening neighborhood dysfunction until the buildings are redeveloped as "affordable and mixed-income" housing or shut down altogether.

**HUD Response**: HUD appreciates comments on the costs for responsible entities' use of the DHS/USCIS administered SAVE program. HUD acknowledges that costs arise when resources are devoted to complying with a new policy. The costs to verify eligible assistance for benefits are necessary to meet the requirement for HUD to not make financial assistance available to persons other than U.S. citizens or eligible noncitizens. As the Regulatory Impact Analysis explains, the principal benefit of the rule is to direct HUD's limited financial resources to fully eligible households by transferring assistance from mixed families to fully eligible households on program waiting lists, consistent with Section 214.

As reflected in the Regulatory Impact Analysis, HUD believes the impact on responsible entities would be low. HUD has therefore determined that the final rule balances the interests of affected parties and responsible entities while improving compliance with statutory obligations and aligning with policy goals.

HUD disagrees with the estimated average time required to verify each household member; in most cases, the time required to verify would be substantially less than commenters argue. As explained in the Paperwork Reduction Act section of the preamble, PHAs already typically receive a birth certificate, passport, or other identity-verification document for deductions, program eligibility, and other purposes, and an estimated 99 percent of existing U.S.-

citizen tenants have already been verified; only about 1.05 percent of existing tenants are estimated to lack ready access to documentation. For these reasons, and as reflected in the Regulatory Flexibility Act and Paperwork Reduction Act analyses, HUD believes the verification burden on responsible entities would be low.

HUD acknowledges that implementation of the final rule may result in a reduction in the number of households and eligible individuals receiving assistance under the Housing Choice Voucher and Public Housing programs. Turnover costs are among the expected recurring costs for responsible entities and are included in the Regulatory Impact Analysis. HUD expects that the first year of implementation would see the most terminations and evictions based on ineligible immigration status. However, HUD believes that this cost is adequately offset by the reallocation of HUD funds to the intended recipients. HUD accepts that there would likely be an increase in repair and maintenance costs if termination of assistance occurs, but the impact would be low.

***C. Universal paperwork burden on all tenants regardless of status***

Commenters contended that the verification requirements fall on every household receiving HUD assistance rather than on noncitizens alone, extending the documentation burden to U.S. citizens and lawful participants who already qualify, including in households where every member is a citizen, and regardless of age or citizenship.

Commenters objected to the removal of the rule allowing U.S. citizens to confirm status through a signed declaration under penalty of perjury, characterized the change as the elimination of the current "do not contend" option under which participants who did not claim eligible immigration status were not required to produce documentation, and noted that the rule would extend verification to household members regardless of age.

Commenters asserted that this universal paperwork obligation would produce concrete losses of assistance for eligible people who cannot complete the process in time, including through clerical error, processing backlogs, and administrative delays. A commenter maintained

that the added verification would lengthen already extended waitlists and could cause eligible applicants to lose their place. Commenters concluded that alternative paths exist to achieve the agency's goals without imposing these obligations on U.S. citizens and asked that the rule be withdrawn.

Commenters contended that the statutory framework of the Housing and Community Development Act does not require this documentary overhaul and asked that the agency retain the existing declaration-based process.

Commenters stated that it is unclear what documentation would be acceptable under the proposed changes to 24 CFR 5.510(b)(6) and argued that this ambiguity falls hardest on seniors and persons with disabilities who may be unable to supply conventional records. Commenters proposed that the rule adopt a nine-month standard timeframe with explicit good-cause extensions for elderly, disabled, and formerly homeless participants to obtain or replace documents and Social Security numbers.

Commenters argued that citizens who cannot produce acceptable documents to re-prove citizenship would be denied assistance, and that where the denied member is the head of household the remainder of the family would also become ineligible.

**HUD Response:** The verification requirement is grounded in Section 214(d)(2) of the Housing and Community Development Act of 1980, which stipulates that the Secretary may not provide assistance for the benefit of an individual before documentation of eligible immigration status is presented and verified. HUD considered commenters' suggestions that the Department continue to rely on self-certification for U.S. citizens or employ a more targeted verification process. HUD declines to adopt those alternatives because requiring documentation verification of citizenship provides a consistent means of establishing eligibility, reducing reliance on unverified declarations, and ensuring uniform application of Section 214 requirements. In developing the final rule, HUD considered the potential for the types of documentation and administrative delays identified by commenters. Accordingly, the final rule preserves existing

procedural safeguards, including secondary verification rather than an immediate adverse determination and no delay of assistance because verification is pending, and expands certain flexibilities, such as additional time to obtain evidence of citizenship or eligible immigration status, to mitigate the burden of the new verification requirements and reduce the risk of erroneous loss of assistance.

HUD maintains that the "do not contend" option is inconsistent with Section 214. While Section 214 does not require an individual who declares U.S. citizenship to submit documentation to verify, the statute provides authority to the Secretary, or administering agency, to request verification by requiring documentation. HUD is exercising this option, making the administrative process for verification more uniform for citizens and eligible noncitizens. HUD estimates that most responsible entities already collect documentation which would satisfy the evidence necessary to verify U.S. citizenship as this information is collected for other purposes in the determination of eligibility. Further, the rule provides for extension of time for family members to obtain the necessary documentary evidence.

HUD encourages responsible entities to make potential applicants aware of the requirements to the greatest extent feasible and requires responsible entities to provide notification to applicants at the time of application as described in 5.508(e)(1). Generally, responsible entities have considerable flexibility in how they manage their waitlists to accommodate documentation delays.

HUD appreciates the concerns raised about the potential impact of this rule on landlord or owner participation. While HUD agrees that the success of the HCV program depends on sustained participation by private landlords, HUD does not agree that the changes introduced by this rule undermine private-sector participation in the ways that commenters envision. Concerns related to the sudden loss of assistance or loss of predictable payments are not relevant to the long-term operation of programs affected by this rule, since the eligibility of families will be determined at admission to the programs. The Regulatory Impact Analysis does contemplate

turnover related to the departure of mixed-status families when the rule is implemented, but this turnover relates to the initial implementation of the rule, not a permanent increase in turnover rates. The change to the definition of "responsible entity" in 24 CFR 5.504, as noted in the preamble to the final rule, removes outdated references to the Section 235 Program, clarifies that responsible entities for Section 236 are mortgagors or project (or housing) owners (if uninsured), and that responsible entities for the project-based Section 8 Program are project or housing owners. For the Section 8 Rental Voucher and Section 8 Moderate Rehabilitation programs, the PHA administering the program serves as the responsible entity. This rule does not require landlords in the HCV program to verify immigration status.

Several practical objections raised in comments misunderstand critical aspects of the rule. As noted, the rule does not make private owners participating in the tenant-based voucher program responsible entities and does not impose additional burdens on them to verify immigration status. The rule makes no changes that would reduce landlord visibility into household composition. Concerns that added paperwork would discourage continued landlord participation in the tenant-based voucher program incorrectly suppose that determination of family eligibility will require landlords to process more paperwork.

HUD also does not agree that the final rule necessarily will result in reduced contract rents or fewer HAP-contract renewals. The final rule does not amend the statutory or regulatory standards governing PBRA contract rents or renewal eligibility and HUD believes Owners and Agents as capable of undertaking the adjustment in process and regulation. Decisions regarding whether to renew a Housing Assistance Payment (HAP) contract are overseen by the relevant PBRA statutory and regulatory authorities. To the extent commenters are concerned that the final rule could indirectly affect Owner participation in PBRA by increasing operating or administrative costs to the degree suggested by commenters. Additionally, regarding commenters' concern, HUD recognizes that possibility but does not have sufficient information that the final rule will cause owners to withdraw from the program to the degree suggested by

commenters. Additionally, regarding commenters' concerns about payment disruptions and unreimbursed operating costs, HUD does not expect the final rule, by itself, to alter the contractual obligation to make payments under an otherwise valid PBRA contract for eligible assisted units.

HUD acknowledges that the verification requirements of the final rule could result in additional administrative costs for Owners and Agents. However, these costs are a consequence of the eligibility requirements that HUD is implementing and do not provide a basis for HUD to continue providing assistance on behalf of individuals whose eligible status has not been verified under the terms of the final rule. HUD has sought to structure the verification process to provide responsible entities with defined procedures for obtaining and documenting verification results.

While the final rule requires verification of citizenship or eligible immigration status for each family member residing in a unit, it does not require an eligible family member to leave an assisted unit solely because another family member lacks eligible status. The final rule provides for prorated assistance while the eligibility of other family members remains pending final verification. If the head of household lacks eligible status but another family member, who has confirmed eligible status, is able to become head of household, this rule does not prevent another eligible family member from becoming head of household and all other family members with confirmed eligibility status from continuing to receive assistance. Again, HUD maintains that verification of all recipients of assistance in covered programs aligns with Section 214 and E.O. 14218. HUD disagrees with the characterization of this alignment as a punishment for U.S. citizens. Rather this rule best ensures that taxpayer-funded benefits are only for intended recipients, transferring assistance to fully eligible households while making the administrative process for verification more uniform for citizens and eligible aliens.

***D. Cost-benefit analysis***

Commenters argued that the rule fails a basic cost-benefit test because its costs exceed any savings and it produces no offsetting benefit. A commenter asserted that the rule replaces a

functional, law-abiding system with a more expensive, bureaucratic one. Commenters contended that the rule would not save money or otherwise provide benefit. Commenters stated that the rule would increase federal subsidy costs, because removing prorated mixed-status households means their units are re-let to fully-subsidized households whose per-unit subsidy is higher. A commenter argued that because assistance is currently prorated so ineligible members pay their full rent share, most affected households will leave rather than split up, and the resulting re-leasing will substantially raise HUD's aggregate subsidy cost. A commenter asserted that ending proration removes families' incentive to fully report ineligible members and their income, so HUD may end up paying higher subsidies than intended. A commenter maintained that transferring assistance to fully-eligible households is the rule's most significant effect and will drive up housing-assistance-payment costs when wage-earners are removed.

Commenters maintained that any savings are trivial relative to the harm because the affected population is minuscule, i.e., well under one percent of assisted families, so the rule imposes large costs to reach a small and shrinking group. A commenter argued that Colorado has roughly 340 mixed-status households (0.006 percent). A commenter asserted that mixed-status subsidy is roughly 0.5 percent of Housing Choice Voucher funding, 0.2 percent of Project-Based Rental Assistance, and 0.6 percent of Public Housing subsidies, so eliminating these families would not produce meaningful savings. A commenter contended that removing 0.9 percent of families while cutting voucher funding 12.7 percent and barring new vouchers cannot meaningfully shift resources to intended recipients.

Commenters noted HUD's own estimate shows increased costs. Commenters stated that HUD estimated implementation costs at $17-33 million. Commenters asserted that HUD concedes it would need hundreds of millions of dollars in additional, unrequested funding merely to maintain current service levels, which itself shows the rule saves nothing. A commenter argued that HUD estimates $311-385 million more would be required to maintain current capacity, funding it has not requested. A commenter asserted that HUD estimated $251 million

in added taxpayer costs. A commenter contended that HUD's own explanation is that the number of households served declines automatically once assistance can no longer be prorated and spread across families.

Commenters disputed the reliability of HUD's cost estimates themselves, contending they rest on flawed premises and understate the true burden. A commenter argued that the estimates rest on the unsupported assumption that few mixed households would challenge the rule.

A commenter challenged the "de minimis" documentation-cost premise, arguing replacement documents are extraordinarily hard to obtain for people displaced by homelessness, disaster, or abuse, so the loss of housing is an irreparable harm rather than a minor cost. A commenter argued that participants must pay document fees, such as $555 to replace a naturalization certificate in Philadelphia, and miss work and wages to obtain citizenship documents. A commenter contended that the "zero cost" premise ignores people with language barriers, disabilities, or no transportation or internet access, for whom compliance costs are insurmountable. A commenter asserted that HUD underestimates the manual-check cost of secondary verifications performed during annual recertifications by already-behind providers. A commenter stated that no analysis supported HUD's suggestion that families could "avail a reduced fee or waiver" and did not identify an agency or waiver process. A commenter asserted that because secondary SAVE verification is left to unspecified future guidance, HUD's cost figures are speculative and likely inaccurate. A commenter maintained that first-time SAVE verification of participants who claim citizenship but have never been verified will substantially increase per-file processing time, contradicting HUD's "almost instantaneous" premise. A commenter maintained that HUD offers insufficient justification for the documentation requirements and provides no estimate of how many citizen households may need extra documentation when SAVE data are inaccurate.

Commenters challenged the analysis for omitting large categories of cost, concluding HUD's net-benefit conclusion is unsupported. A commenter argued that the analysis ignores the cost of chaos and confusion as tenants flood providers with questions, a large diversion of staff resources.

A commenter warned that vacancy losses are not adequately considered, since units incur operating costs without rental revenue during turnover and industry turnover costs run about $2,500 per unit. A commenter stressed that the analysis never addresses the double blow to provider revenue—the simultaneous loss of prorated rent from mixed-status families and the increased administrative cost of compliance.

Commenters warned again that eviction, moving, and local-government costs are underestimated or omitted. Commenters argued that the RIA omits the downstream costs of homelessness that follow displacement. Commenters stated that average mixed-family income of about $27,000 is below the poverty line for a family of four, that HUD concedes such families face significant private-market barriers, and that local homelessness costs of roughly $20,000 to $50,000 per person are excluded from HUD's accounting.

Commenters cited the Center on Budget and Policy Priorities estimate that the rule could cause roughly 80,000 people, including approximately 37,000 children, to lose stable housing. Some placed the figure higher, warning that as many as 200,000 people nationally could be forced from their homes. Commenters suggested this would create tens of thousands of additional people homeless. Commenters grounded the homelessness projection in HUD's own analysis, contending that the Department itself acknowledged fewer households would be served and that no replacement assistance would follow, so displacement into homelessness was a foreseeable rather than speculative outcome. Commenters warned the documentation window is too short for affected families to secure alternative housing before losing their current homes. A commenter emphasized that a family at or below the poverty line evicted under the rule faces one outcome, homelessness, with no exemption for those already on the brink. A commenter added

that the assumption assistance can simply be redirected presumes a frictionless housing system that does not exist, given high vacancy competition and rents. A commenter disputed HUD's premise that vacated units would rehouse the currently unhoused, noting HUD's own analysis concedes only about 10 percent of beneficiaries were formerly unhoused.

Commenters pointed to a national one-day count of nearly 53,600 adults and children in emergency shelters as evidence that the system cannot meet existing need, let alone a new inflow. A commenter noted that nearly 194,000 people are already served by the affected programs, so displacement on that scale would overwhelm local capacity. Commenters noted California's record and largest-in-nation unhoused population, over 50,000 in Chicago, and Hawai'i's nation-leading houselessness rate. A commenter observed that in Nevada, among the most cost-burdened states, roughly 97 percent of affected households have no realistic affordable alternative, leaving shelters or the street as the only destinations. Commenters argued that a system already recording that level of use could not absorb a new wave of displaced families.

Commenters argued that preventing homelessness is far cheaper than responding to it, so policies that increase evictions and shelter use shift higher costs onto local and federal systems. A commenter contended that unhousing people costs the government an average of $60,000-$80,000 per person per year. A commenter maintained that at an average chronic-homelessness cost of $35,578 per person per year, every 10,000 additional homeless people cost taxpayers as much as $355 million. A commenter added that a full year of supportive housing costs about $145 per day, equivalent to a six-month jail stay or 24 days in a state hospital, and that daily family-shelter costs generally equal or exceed the cost of housing. A commenter asserted that it costs more per unhoused individual than to pay for that individual's housing assistance, so the rule nets out to costing taxpayers more. A commenter maintained that removing families merely shifts the financial and administrative burden of shelter to the public. A commenter asserted that people who are homeless and unsheltered are more likely to be hospitalized or incarcerated, both

far more expensive than supportive housing, and that in Virginia supportive housing costs $71 per day against $1,060 per day for psychiatric hospitalization.

A commenter argued that forcing families into eviction and homelessness would raise costs across safety-net programs including Medicaid, CHIP, Social Security, CDBG, WIC, ESG, TANF, and SNAP, and strain hospitals, police, and fire departments, with HUD itself estimating a $167-218 million annual federal cost increase.

Commenters warned that housing loss would produce measurable health harms, because instability and homelessness worsen chronic conditions and mental health. Commenters cited estimated downstream health costs, including roughly $650 in added public health spending per displaced person, as evidence the harm extends well beyond housing.

A commenter added that HUD's 2025 RIA shows the rule cuts the number assisted from approximately 79,300 to 24,100 under a fixed budget because replacement households require higher per-person subsidies, so externalized costs compound an efficiency loss. A commenter argued that RIA section 5.5's treatment of the duration of transfers glosses over the harm of evicting or forcing self-eviction of mixed-status families. A commenter argued that HUD counts only a truck and movers while ignoring application fees, security deposits and last month's rent, and utility connection fees, producing a real per-family cost of $2,800-$4,650 and a national moving-cost total of $44.8-$93 million against HUD's $14-$18 million. A commenter asserted that displaced households face immediate costs of several thousand dollars given deposits and up-front rent, especially where two-bedroom fair-market rents reach $2,910 in New York and $3,604 in San Francisco. Commenters argued that HUD's assumption that only 5 percent of mixed-status families will contest eviction has no support, while the analysis itself notes formal evictions occur in 24 percent of involuntary departures. Commenters stated that challenges will be especially high in states with strong tenant protections. Commenters stated that HUD's minimal eviction-cost premise of $1 million, with an assumption that fewer than 1,000 households will require formal proceedings because most will leave voluntarily amid the

immigration enforcement climate, is unrealistic. A commenter contended that families facing homelessness will retain housing as long as possible. Commenters warned that actual costs would be far higher for long-tenured project-based tenants in high-cost markets and strong tenant-protection jurisdictions. A commenter objected that the benefits section relies on sweeping, unsourced claims about the "adverse economic consequences of unauthorized immigration". A commenter contended that a formal eviction in California costs $385 just to file, making HUD's $1 million estimate wildly inaccurate. A commenter maintained that the true cost is the total derailment of families' lives, including lost employment, lost belongings, and medical costs from the stress of homelessness. A commenter asserted that the analysis ignores families' court and legal fees for defending against eviction. A commenter argued that the analysis does not account for broader public costs of displacement, including emergency housing, education disruption, and child-welfare systems. A commenter asserted that HUD's Regulatory Impact Analysis does not calculate or account for these costs. A commenter maintained that HUD understated local-government costs, so that using HUD's own $30,000-per-person figure, New York City alone would bear roughly $330 million and potentially $1.27 billion in annual shelter costs, plus McKinney-Vento obligations. A commenter added that the analysis understates the downstream burden on legal-aid organizations absorbing the consequences of increased complexity, delays, and errors.

A commenter contended that the analysis omits the administrative-hearing cost for every tenant given a false ineligibility finding, wrongly assuming a two-hour maximum per verification. A commenter estimated that secondary verification for 5 percent of a 10-million-resident population would cost roughly $20 million and one million lost hours. A commenter assumed an average trial cost of $20,000 per matter across 10 percent of Section 8 households. A commenter added that $33 million in new administrative costs would divert scarce resources from housing toward surveillance and verification.

A commenter asserted that the stated benefits are insufficiently supported because the analysis never weighs the impact on mixed-status families' ability to keep a home.

Commenters warned HUD's stated savings figure ignores offsetting revenue losses, particularly forgone tenant rent payments. Commenters argued that the $218 million savings claim does not account for the $17-33 million to implement and the $202 million in lost tenant rent payments.

A commenter maintained that the analysis provides no factual support and no data on the burden on small housing authorities, tenants aged 62 and over never before required to document status, or the cost of SAVE consent, staff training, and false-result hearings.

Commenters urged that no cost savings exist because ineligible members are already excluded from subsidy calculations, so barring them yields no fiscal benefit while imposing new costs. Commenters also stated that the existing structure already achieves consistent verification, because the Social Security Administration already verifies citizenship, status, age, and identity and PHAs already confirm Social Security data so there is only marginal compliance benefit. A commenter added that the rule complicates HOTMA's streamlined certifications by adding verification layers for individuals HOTMA would exempt. A commenter contended that destabilizing the LIHTC investor market could jeopardize the financial viability of projects in development.

Commenters challenged the derivation of the 1.05 percent figure as unsupported by provider data and likely far too low. A commenter argued that assuming only 1.05 percent of tenants need to prove status is baseless and massively undercounts those affected, making the $2.1 million top estimate ridiculously low. A commenter asserted that the analysis assumes only 730 impacted tenants when data show roughly 1.8 million citizens will face the new documentation requirements. A commenter challenged the assumption that mixed-status households lacking documentary proof (1.05 percent) would be only half the rate of all citizens (2.0 percent), when foreign-born citizens and eligible immigrants are less likely to hold such

proof and a realistic rate would be at least 50 percent higher. A commenter argued that roughly 3.8 million adult citizens lack citizenship documentation and another 17.5 million cannot readily access it, and low-income individuals are least likely to hold such documents, so the number requiring secondary verification is likely far higher than 1.05 percent.

One commenter argued that if seniors and disabled participants must verify status, far more than the 1.05 percent of citizens used in the RIA's Table 7 would require verification, and identified an unexplained discrepancy between HUD's September 2025 estimate applied to 1,872,315 tenants and the proposed rule's estimate applied to roughly 714,000. Another commenter noted HUD's own 2019 analysis using 2017 data found more than 25,000 mixed-status households, suggesting the current count understates the affected universe, and asked HUD to disclose its data source. A commenter argued that HUD derived 1.05 percent by averaging its own 0.09 percent pending-verification data with a voter survey, an unsupported method. A commenter argued that the analysis claims only 1.9 million individuals are affected despite its own figures showing nearly 9 million, a drastic error showing HUD did not engage in reasoned decision-making.

Commenters challenged HUD's characterization of costs as largely one-time and its assumption of full program funding, and the assumption that first-time documentation is costless. A commenter contended that HUD asserts without basis that the burden on existing tenants documenting status for the first time is low, when data show roughly 1.8 million citizens will be affected. A commenter objected that the claim that first-time documentation could carry zero cost ignores people with barriers to access. A commenter argued that verification, documentation, and compliance are ongoing obligations requiring sustained staff time, and that the analysis wrongly assumes full funding despite chronic appropriations shortfalls. A commenter asserted that the $1,800-per-unit figure relies on an outdated pre-pandemic 2019 source and ignores Build America Buy America procurement cost increases. A commenter

asserted that national compliance costs to tenants and applicants would reach $16-27 million and costs to authorities and owners still more.

A commenter argued that even one hour of staff time per household across NYCHA's roughly 50,000-household Manhattan portfolio represents millions in administrative cost with no federal reimbursement. A commenter added that the Medicaid citizenship-documentation precedent produced enrollment declines and higher administrative costs per GAO. A commenter asserted that HUD's own figures put combined verification costs for existing and new tenants at approximately $800,000 to $3.2 million. A commenter contended that HUD underestimated the unfunded-mandate burden on housing providers by at least $43.5 million. A commenter maintained that managing a strict 90-day submission window and tracking 18-month deferrals would add roughly $80,000 in oversight cost at one authority. A commenter added that HUD's premise that families come for subsidized housing is baseless given closed or years-long waiting lists.

A commenter argued that HUD assumes displaced families are replaced at equivalent cost, yet its own analysis shows replacement households require higher subsidies. A commenter contended that the $167-218 million annual transfer produces illusory benefits that do not justify the harms. A commenter asserted that HUD's own analysis acknowledges the primary effect would be to assist proportionally fewer households. A commenter added that HUD reported the same increased-cost, reduced-supply effect when it proposed the change in 2019.

Commenters asserted that the "transfer" or "zero-sum" framing obscures the rule's true fiscal consequences and that HUD's own numbers show higher per-person subsidies for replacement households. A commenter argued that mixed households have higher average incomes ($27,000 vs. $20,000) and prorated subsidies, so replacement families require higher per-person subsidies ($7,700 vs. $2,700) and the same funds that serve 79,300 people would serve only 24,100, eliminating assistance for more than 55,000 currently eligible individuals. Commenters maintained that HUD's own figures show the rule reduces the number of eligible

people housed and would require hundreds of millions in unrequested appropriations. A commenter argued that maintaining assistance for the same number of currently eligible individuals would require an additional $478 million to $603 million. A commenter contended that replacing mixed-status with non-mixed households could cost as much as an additional $385 million annually. A commenter contended that prorated households pay market-adjacent rents generating more revenue than fully subsidized households, so eliminating them reduces families served and net revenue, an explanation running counter to the agency's own evidence and thus the paradigm case of arbitrary action under Motor Veh. Mfrs. Ass'n v. State Farm Ins., 463 U.S. 29 (1983). A commenter asserted that the proration effect alone would raise the replacement family's subsidy by about 43 percent.

Commenters cautioned that HUD failed to conduct an adequate cost-benefit analysis and should withdraw the rule or complete a full analysis before proceeding. A commenter argued that HUD provided no benefit-cost analysis consistent with OMB Circular A-4, no Territorial Impact Assessment for Puerto Rico, no distributional analysis, and no PHA burden analysis under the Regulatory Flexibility Act of 1980 (RFA), Paperwork Reduction Act of 1995 (PRA), and the Unfunded Mandates Reform Act (UMRA). A commenter maintained that HUD has not analyzed whether the rule would raise or lower total subsidy expenditures after predictable changes in household composition. A commenter contended that absent that analytical foundation HUD cannot satisfy reasoned decision-making or avoid arbitrary-and-capricious outcomes. A commenter added a series of questions about the cost of implementation and of expanding assistance to all eligible households that the analysis leaves unanswered. A commenter contended that a proper analysis, as required by Executive Orders 12866 and 13563 and by statute, would show the rule is expensive, unnecessary, and imprudent.

A commenter argued that the analysis lists financial costs to the tenant and household that are inaccurate. A commenter contended that the cost-analysis data is not representative of the HUD-assisted population. A commenter asserted that an extremely low-income elderly person

with a disability faces many barriers to obtaining replacement documentation amid staffing cuts, and that the cost of eviction for lack of paperwork cannot be assigned a numerical value. A commenter maintained that HUD estimates verification administrative costs of $530,140 to $2.1 million and concedes these could discourage participation. A commenter added that HUD's own 2019 analysis of a similar, later-withdrawn rule admitted it would reduce the quantity and quality of assisted housing. A commenter urged that HUD should first accurately determine the actual cost of losing assistance and the number of people who would. A commenter contended that the rule adds $235 million in costs that could force units to be boarded up and closed. A commenter added that the rule would create an estimated $370 million in added costs, further reducing rental assistance.

**HUD Response:** HUD appreciates the data commenters provided regarding the rule's costs and benefits. However, HUD has not characterized cost savings as a benefit of the rule; rather, through this rule, HUD seeks to reprioritize limited rental assistance toward fully eligible households consistent with Section 214 and Congressional intent, recognizing that housing assistance is not an entitlement. HUD believes that the rule could result in a significant redistribution of approximately $167 million to $218 million annually in rental assistance from mixed-status families to fully eligible households currently awaiting assistance. As a redistribution among similarly situated very-low-income renters, this would represent neither a cost nor saving. Since the $218 million is a transfer, not a saving, netting it against "lost tenant rent" is a category error.

The genuine costs are the $17-$33 million in largely one-time upfront costs, as discussed in the Regulatory Impact Analysis, offset by the benefits discussed (deeper subsidies to lower-income replacements, mobility and neighborhood effects, and heightened redistributive value for homeless and near-homeless replacements). The $311-$385 million supplement (§ 5.4.2, Table 4) applies only to the alternative "preserve unit count" scenario; under the default fixed-budget scenario it is $0. It is not an unrequested appropriation the rule requires. HUD agrees that there

may be additional administrative costs for responsible entities, but Section 214 requires HUD to reprioritize rental assistance benefits for households with U.S. citizenship or eligible immigration status. As explained in the proposed rule and RIA, HUD did quantify turnover costs beyond repairs: the RIA separately identifies formal eviction costs (court fees, server charges, and eviction services averaging approximately $1,000 per household and up to approximately $4,000 per household in a high-cost scenario involving major repairs and legal representation), and foregone rent during the turnover period. HUD's aggregate formal-eviction estimate of approximately $1 million reflects the assumption that, of the 19,810 mixed families eligible for temporary deferral of termination of assistance, at most about 5 percent (approximately 990 households) would contest the rule and require formal eviction, because most households without required documentation are expected to leave assisted housing voluntarily. HUD recognizes commenters' view that contest rates and per-eviction costs could be higher in high-cost markets and strong tenant-protection jurisdictions; the RIA acknowledges this same possibility, noting that legal challenges are more likely in areas with strong tenant and immigrant-protection policies, and it accordingly presents a high-cost eviction scenario. HUD did not adopt a higher central estimate because it continues to expect that most affected households will not contest termination.

Several commenters raised points that are discussed in the RIA. For example, the assertion that the rule will cause the quality and quantity of assisted housing to decrease because of the increased costs of transferring assistance to families with only eligible members is analyzed in the RIA. Likewise, comments to the effect that the rule creates downstream and community costs, including displacement, homelessness, and market destabilization, fail to recognize that there is relevant consideration in the RIA.

HUD does not see how this rule would destabilize the LIHTC investor market, contrary to a commenter's claim. To the commenter who argued that HUD's turnover claim ignored an approximately 8,600-unit NYCHA vacancy backlog, HUD cannot respond on the estimate

offered without further details about the source. The RIA discusses the displacement of ineligible families and replacement by other families. Finally, HUD disagrees with the comment that HUD has not analyzed whether the rule would raise or lower total subsidy expenditures after predictable changes in household composition. On the contrary, HUD has provided substantial discussion of subsidy changes in the RIA.

HUD appreciates the commenters' concerns regarding the potential for the rule to affect housing stability and increase the risk of homelessness among households that include members whose eligible status cannot be verified. HUD recognizes that the households served by HUD's housing assistance programs include many families with limited incomes and limited access to affordable housing and that the loss or reduction of housing assistance could create significant financial hardship for some affected households. HUD also recognizes commenters' particular concerns regarding households with U.S.-citizen children, seniors, and other eligible individuals who may be affected by a determination concerning another household member.

HUD also stresses that mixed families are a small (under one percent) and declining share of assisted families, geographically concentrated in California, Texas, and New York, so any revenue reduction is expected to spread evenly over the longer run into a small per-family and per-PHA effect, with a lag of about one year before funding reallocation partially compensates higher-concentration agencies. HUD addresses the shifting of costs to State and local governments in its responses to the related comments in this section.

HUD has considered the estimates cited by commenters concerning the number of individuals and households that could potentially be affected by the rule, including the estimates referenced from outside organizations. These estimates represent the population that could potentially experience a change in assistance under the rule; they should not be interpreted as estimates of the number of individuals who will necessarily become homeless. The rule does not automatically terminate assistance upon publication or upon an initial unsuccessful verification.

The commenters' estimates of increased homelessness depend on a series of events that cannot be determined solely from a household's status under the rule. Whether an affected household becomes homeless will depend on factors including the household's ability to pay the full rent or otherwise remain in the unit, the availability and affordability of alternative housing, the household's access to other sources of assistance, or local housing market conditions. Accordingly, a reduction in Federal housing assistance cannot be equated with homelessness in every case cited by commenters.

Additionally, the absence of an immediately available comparable unit does not alter the statutory eligibility requirements governing federal housing assistance. The rule does not assume that each affected household will require a comparable subsidized unit or enter homelessness following an adverse determination. Also, the rule provides for additional verification, notice to the affected household, an opportunity to submit additional documentation or correct findings, and an opportunity to request an informal hearing. Assistance may continue, on a prorated basis, while the applicable verification process remains pending. Further, the potential lack of comparable affordable housing does not provide a statutory basis for HUD to continue assistance for individuals whose eligible status has not been verified under the rule's requirements.

Additionally, as discussed in the regulatory impact analysis, while the rule may increase the risk of housing insecurity for some currently assisted households that include ineligible members, the assistance that is redirected would allow fully eligible households currently on waiting lists to receive it. Thus, any increase in housing insecurity for affected households that cannot remain in their unit would be counteracted to a certain extent by a decrease in housing insecurity experienced by the fully eligible households who would replace them. As stated in the RIA, it is difficult to determine the net effects of the rule on housing insecurity and its associated effects given limitations in HUD's capacity to predict housing outcomes for outgoing households and to identify prior housing conditions for incoming households.

HUD recognizes the commenters' concern that the final rule could increase pressure on homelessness-response systems in some communities, but the cited shelter-utilization figures do not establish that the rule will produce a corresponding influx of displaced households into emergency shelters. These potential downstream effects are acknowledged in the RIA and do not alter HUD's obligation under Section 214(d)(2), ensuring that assistance is provided only to individuals whose eligible status has been verified.

As with the homelessness estimates discussed above, a change in housing assistance does not automatically result in shelter entry; whether a household enters emergency shelter depends on the same household-specific and market factors identified above rather than on the change in assistance alone.

HUD has considered the commenters' estimates of potential downstream health effects and associated public costs. Such estimates generally describe potential consequences of displacement or homelessness rather than direct effects of the rule. The extent to which those consequences would occur depends on whether a household ultimately loses assistance, whether it experiences displacement, and its individual circumstances, including access to alternative housing, health care, and other resources. Accordingly, estimates of potential health costs cannot be treated as costs that will necessarily result from the rule.

Additionally, for the reasons discussed above regarding housing insecurity, any negative health impacts for affected households that cannot remain in their unit would be counteracted to a certain extent by the positive health impacts experienced by the fully eligible households who would replace them.

The option for temporary deferral of termination (up to 18 months) is also intended to reduce displacement into homelessness.

HUD appreciates commenters' examination of the rule's regulatory impact analysis. Consistent with the current Administration's regulatory reform efforts, HUD has undertaken a comprehensive review of its regulations to reduce unnecessary regulatory burdens, enhance the

effectiveness of those regulations that are necessary, and promote principles underlying the rule of law, including ensuring the conformity of regulations with statutory mandates. HUD acknowledges that this rulemaking would adversely affect some tenants and applicants for Section 214 covered programs, especially mixed families and ineligible noncitizens, as well as responsible entities. The most significant effect of this rulemaking would be to transfer assistance from mixed-status families to fully eligible households. Additionally, as explained in the Regulatory Flexibility Act and Paperwork Reduction Act, HUD believes that the impact on responsible entities would be low. Therefore, HUD has determined that this rule balances the interests of affected parties and responsible entities while improving compliance with statutory obligations and aligning with policy goals.

HUD appreciates commenters' attention to the affected-population figures and the distinction between the different populations the rule affects. As explained in the proposed rule and its Regulatory Impact Analysis (RIA), HUD's estimates rest on HUD administrative data drawn from the Public and Indian Housing Information Center (PIC) and the Tenant Rental Assistance Certification System (TRACS), reflecting a three-year average for 2022 through 2024. HUD did not estimate that only 730 tenants are affected by the new documentation requirement. The 730 figure in the RIA refers specifically to immigrants who previously elected not to contend eligible status; it is not HUD's estimate of the total universe of individuals who must submit documentation. HUD's information-collection estimates, by contrast, apply an assumed 1.05 percent documentation-gap rate to much larger populations: approximately 1,854,100 existing U.S. citizens who have not previously provided proof, and an average of approximately 714,000 annually admitted tenants. HUD used the 1.05 percent rate—computed as the average of HUD administrative data on members of non-mixed families with pending verification status and published findings on the share of U.S. citizens without documentary proof of citizenship—because HUD anticipates that most existing tenants have already provided

identity or eligibility documentation for another purpose, such as income deductions or program eligibility.

HUD acknowledges that extending verification to individuals aged 62 and older enlarges the population subject to the requirement relative to current regulations, and the RIA and Paperwork Reduction Act analysis account for verification of tenants regardless of age. HUD recognizes commenters' concern that its earlier analyses reported larger counts of mixed-status households; the RIA addresses the observed decline in the number of mixed families over time and identifies possible explanations, including the potential effect of HUD's 2019 proposed rule and the possibility of reduced reporting rather than a true decline. HUD has identified the data sources underlying its current estimates, as set out above and in the RIA.

HUD acknowledges the tension between the low share of families assumed to contest eviction and the Desmond (2016) 24-percent formal-eviction figure cited in the RIA. The RIA explains that HUD's estimate is lower than the Desmond baseline because concurrent immigration-enforcement actions may prompt ineligible individuals or mixed families to vacate voluntarily rather than contest this rule. Consistent with that assumption, the RIA estimates that at most about 5 percent of the 19,810 mixed families eligible for temporary deferral of termination of assistance—roughly 990 households—would be formally evicted, yielding a maximum aggregate eviction cost of approximately $1 million ($1,000 per household).

As explained in the RIA, although current regulations do not require those who declare themselves to have U.S. citizenship to provide appropriate documentation to verify citizenship, PHAs already typically receive a birth certificate, passport, or some other identity verification document for deductions, program eligibility, and other purposes and such documents and other forms of identification would already comply with the verification requirements of the proposed rule.

The $1,800 per-unit repair figure is the American Housing Survey median repair cost expressed in 2024 dollars and is applied only as a minimum-unit estimate; HUD notes the RIA

already states this figure would rise as the number of exiting families increases. HUD also acknowledges the potential impact of BABA requirements on the cost of repairs, which was raised by a commenter. However, we do not have available data on the increase in procurement costs that are directly attributed from BABA.

The RIA recognizes that, based on average income, replacement households are expected to require higher levels of subsidy than the mixed families they replace, and that, absent an appropriations increase, the number of persons served would decline. HUD did not obscure this effect; it is quantified in section 5 of the RIA. The rule's stated benefit is not cost savings but HUD's authority to reprioritize limited rental assistance toward fully eligible households consistent with Section 214 and Congressional intent, recognizing that housing assistance is not an entitlement.

HUD appreciates the concerns commenters raised regarding downstream costs of homelessness that may follow displacement. As explained in the proposed rule and RIA, HUD did not exclude consideration of homelessness; the RIA analyzes the rule's potential effect on homelessness and concludes that the net effect is ambiguous, because any increase in homelessness among displaced mixed families may be offset by a decrease in homelessness among eligible households admitted from waiting lists. HUD recognizes that the external costs of homelessness to local governments can be substantial, and the RIA expressly cites studies estimating those costs at approximately $20,000 to $50,000 per person per year. HUD did not incorporate those per-person figures into a quantified cost of the rule because, as the RIA explains, the net impact of the rule on the number of persons experiencing homelessness is difficult to predict and depends on subsequent events and decisions—including each household's ability to remain housed without assistance, the availability of alternative housing, and the responses of State and local governments and service providers—that are outside HUD's regulatory authority under Section 214. The RIA notes that approximately 10 percent of all households that receive rental housing assistance from HUD were formerly homeless, such that

redistribution toward eligible households on waiting lists, some of whom are homeless or near-homeless, carries offsetting value. HUD acknowledges the RIA does not fully monetize secondary public costs such as emergency shelter, education, and child-welfare systems. Given the exchange in housing assistance from mixed families to fully eligible households, the RIA notes the difficulty in estimating the net effect on homelessness.

HUD appreciates the concerns commenters raised regarding downstream costs of homelessness that may follow displacement. As explained in the proposed rule and RIA, HUD did not exclude consideration of homelessness; the RIA analyzes the rule's potential effect on homelessness and concludes that the net effect is ambiguous, because any increase in homelessness among displaced mixed families may be offset by a decrease in homelessness among eligible households admitted from waiting lists. HUD recognizes that the external costs of homelessness to local governments can be substantial, and the RIA expressly cites studies estimating those costs at approximately $20,000 to $50,000 per person per year. HUD did not incorporate those per-person figures into a quantified cost of the rule because, as the RIA explains, the net impact of the rule on the number of persons experiencing homelessness is difficult to predict and depends on subsequent events and decisions—including each household's ability to remain housed without assistance, the availability of alternative housing, and the responses of State and local governments and service providers—that are outside HUD's regulatory authority under Section 214.

With respect to the contention that the rule is not cost-neutral because replacement households require deeper subsidies, HUD agrees and did not characterize the rule as cost-neutral. As the RIA explains, holding the budget constant, the higher average subsidy required by fully eligible replacement households means that fewer households would receive assistance; the transfer is not represented as producing equivalent per-household outcomes. HUD did not separately quantify eviction and turnover costs attributable to non-mixed families who cannot produce required documentation; HUD notes that such tenants retain the ability to establish

eligibility through SAVE, secondary verification, and the informal hearing process, and that termination on documentation grounds is expected to be uncommon among tenants who in fact have eligible status. To the extent a tenant with eligible status cannot immediately produce documentation, the rule's verification framework - primary verification, secondary verification, and the informal hearing process under § 5.514 - is designed to resolve status before any termination, so HUD does not anticipate material eviction or turnover costs attributable to eligible tenants who experience a temporary documentation gap.

The RIA states that maintaining the pre-rule number of assisted family members would require supplemental funding of approximately $311 million to $385 million beyond the transfer from mixed families, an amount HUD's default scenario holds at zero. HUD did not treat this as a hidden or manufactured result; it is disclosed in the RIA's transfers analysis. With respect to the effect on homelessness, HUD did not decline to analyze the question. As the RIA explains, an increase in homelessness among displaced mixed families may be offset by a decrease in homelessness among eligible households admitted from waiting lists (approximately 10 percent of assisted households were formerly homeless), and the net effect is ambiguous because it depends on factors the rule does not determine, including each household's ability to remain housed without assistance and the availability of alternative housing. HUD did not quantify downstream State and local costs of any resulting homelessness because, as the RIA notes, those costs depend on subsequent events and decisions by State and local governments and service providers outside HUD's regulatory authority under Section 214.

HUD notes that the temporary deferral of termination (up to 18 months) is intended to reduce displacement into homelessness.

***E. Proration math / subsidy efficiency***

Commenters argued that eliminating proration is fiscally inefficient because mixed-status families use substantially less subsidy per person than fully-eligible households, so replacing them raises per-person costs and serves fewer families.

Commenters asserted that the average per-person subsidy is $2,700 for mixed-status families versus somewhere between $7,000 and $7,700 for fully-eligible families, a difference of $5,000 per person per year. A commenter argued that the average rent paid by a mixed public-housing family is $1,104 versus $578 for a fully-eligible family, and that Section 8 mixed families receive $1,301 in HAP versus $1,723 for fully-eligible households, so the rule would cost PHAs millions each year. A commenter contended that this means replacing them adds about $2,100 in annual subsidy per household. Commenters' estimates of total costs of removing proration varied, varying from $167 million to $603 million. A commenter asserted that a prior 2021 economic analysis found the change would increase housing-subsidy costs by roughly $200 million per year. A commenter noted that the current mixed-family proration rule already forces a disproportionate rent burden, describing an SSDI income of $1,224 per month against a required rent contribution of $1,061, roughly 80 percent of income, versus the 30 percent standard for non-mixed families.

A commenter asserted that replacing 39 mixed-status households with single-status households would raise one authority's program costs by more than $250,000 annually and cut its capacity by at least 17 families. A commenter contended that voucher families moving from a prorated to a full voucher upon a member's departure could push authorities into shortfall, eventually forcing termination of citizens' vouchers. A commenter contended that a nonprofit provider would lose an estimated $482,677 in monthly rental income, jeopardizing the long-term viability of affordable housing in its region. A commenter added that lost rent would force thousands of affordable units to close and increase homelessness by nearly 15 percent in one city and state.

Commenters maintained that HUD calculated it would need roughly $300 million in new dollars per year and would be forced to leave units vacant and serve fewer voucher-holders, and stressed that the current Congress is unlikely to authorize an increase of that size, that no such funding has been requested, and that Congress had recently decreased public housing funding. A commenter added that in proposing a similar rule in 2019 HUD acknowledged limiting proration would reduce the quantity and quality of assisted housing and then withdrew that rule, so it should do the same here. The same commenter further argued that the President's proposed Fiscal Year 2027 budget would bar housing agencies from issuing vouchers to new families except in limited circumstances, which undercuts HUD's premise that displacing mixed-status families would free up assistance for other families. A commenter asserted that HUD values the redirected funds at $218 million without estimating the offsetting costs. The same commenter contended that the proposed rule provides no estimate of the revenue states would lose by excluding mixed-status families—a serious deficiency—noting that New York alone has an estimated 498,440 households dependent on federal rental assistance, roughly 2,540 of them mixed-status.

Commenters urged that this record directly contradicts the Secretary's public claim that removing mixed-status families would create more housing for Americans, objecting that the agency cannot simultaneously assert the rule will house more Americans and concede in its own analysis that fewer families will be served.

A commenter asserted that section 5.4 concedes PHAs cannot provide the same number of vouchers after losing prorated rent and offers only the unrealistic suggestion of drawing down reserves already exhausted by other cuts. A commenter objected that the analysis assumes mixed families will simply be replaced by fully-eligible families while ignoring the rule's huge administrative cost. A commenter challenged HUD's unsupported claim that fully-eligible families are better positioned to benefit from mobility, contending all families benefit from higher-opportunity neighborhoods. A commenter added that the mass eviction and lost prorated

rent would drive a severe increase in homelessness that itself carries fiscal and environmental impact. A commenter maintained that agencies have no practical way to verify an ineligible member has actually vacated, creating a risk that they pay the higher full subsidy while the member remains.

**HUD Response:** HUD appreciates commenters' objections to the proration subsidy analysis in the RIA. HUD also appreciates commenters' concerns about a decrease in rental revenue related to exiting mixed-status families and the potential downstream consequences for their operations. The majority of PHAs and project (housing) owners have few mixed families, if any. Geographically, 71 percent of mixed families are concentrated in three states—California (36 percent), Texas (22 percent), and New York (13 percent). The rest of the mixed-status family population is scattered across the country, with 4 percent or fewer mixed families per state. The number of mixed households in HUD-assisted housing covered under Section 214 has been declining over the years.

The RIA describes two scenarios: one where HUD's budget remains fixed and one where HUD's budget is flexible. Under the fixed budget scenario, commenters are accurate in stating that the total number of households and persons that HUD assists would be reduced, as fully eligible households on average make lower income and require greater subsidy than mixed-status households.

In the longer run, HUD expects that any reduction of revenues will be spread more evenly, resulting in a small reduction in financial assistance for all assisted families and a small reduction of the operating subsidy for all PHAs. Because subsidies to PHAs are based on projections from historic data, at least one year would elapse before the additional expenses for PHAs with higher concentrations of mixed families are partially compensated for by a funding/budget reallocation.

***F. Downstream costs ignored (health, education, social services)***

Commenters argued that HUD's cost-benefit analysis ignores substantial downstream costs to health, education, child-welfare, and social-service systems, so its net-savings conclusion is unsound. A commenter argued that emergency shelter, social services, and child welfare are absent from the analysis, while HUD's own analysis shows supply and budgets shrink. A commenter contended that the net fiscal impact is likely negative once lost revenue, implementation costs, and downstream service costs are counted. A commenter asserted that displacement increases demand on county health, behavioral-health, emergency-medical, homeless-response, child-welfare, and education systems at a time when federal changes under H.R. 1 could cost California counties up to $9.5 billion annually, straining their ability to respond to added need. A commenter maintained that housing instability among families with children will cost the United States an estimated $111 billion in avoidable health and education expenditures over ten years.

A commenter asserted that the rule transfers the cost of housing families from the state to social-service systems. A commenter contended that evicting families does not free up vouchers but shifts cost to municipalities, raising emergency-room costs, school turnover, and strain on shelter systems already at capacity.

Commenters warned of specific health and educational harms and their long-term public costs. A commenter argued that health conditions related to adverse childhood experiences (ACEs) are estimated to cost $183 billion in direct medical spending and $13.9 trillion in lost healthy life-years annually, so instability caused by the rule creates preventable long-term costs. A commenter asserted that school districts serving affected families would face substantial unreimbursed costs. A commenter urged HUD to withdraw the rule and conduct a full analysis of educational costs for displaced children. A commenter contended that chronic absenteeism has spillover effects on classmates' achievement and broader public-health consequences. A commenter added that the benefit of children growing up in a two-parent household could outweigh the loss of the subsidy, an effect the analysis ignores.

Commenters emphasized that these omitted costs make the analysis speculative and incomplete, warranting withdrawal or a fuller study. A commenter argued that the well-documented downstream costs of evictions, displacement, and fear-driven underreporting should be central to any cost-benefit analysis but are not. A commenter asserted that the analysis admits fewer households will receive assistance yet ignores the community cost in increased homelessness and demand for emergency and public services. A commenter maintained that the most inexpensive way to address the housing crisis is to keep people housed, so spending to evict them and then absorbing the downstream consequences is wasteful. A commenter added that HUD failed to consider how states would meet increased social-service need at $20,000 to $50,000 per person per year. A commenter objected that the proposal would strain infrastructure for social services, healthcare, labor markets, and law enforcement, making systems harder for all Americans to access. A commenter argued that creating new unhoused individuals will cost more money, since everyone deserves housing, food, safety, and education. A commenter contended that these costs compound over time, straining health and education systems while undermining child and family stability.

Commenters maintained that the proposed rule fails to address the root causes of unaffordability and would deepen the housing crisis rather than relieve it. Commenters supported the point with jurisdiction-specific waitlist and affordability data across the United States:

- In Somerville, Massachusetts, 148 families were on the federal family-housing waitlist and 1,794 on the state public-housing waitlist, with only 18 households placed in the prior year—a rate at which it would take roughly 107 years to house those on the list.
- The Massachusetts state-funded public-housing waitlist stood at 246,564 unique households as of January 1, 2025, with an average wait of 3 years and 3 months (and estimates as high as 10 years), in a state where affording a two-bedroom at fair-market rent requires $45.90 an hour.

- The Housing Authority of the City of Los Angeles reported an eligibility-certification no-show rate above 50 percent, which one commenter argued the rule would compound by further reducing available public-housing units.
- A commenter cited 770,000 people experiencing homelessness in 2024 and argued that displaced families would fall on emergency shelters with no additional federal funding, increasing demand on shelter systems.
- A commenter asserted that HUD's turnover claim ignores an approximately 8,600-unit NYCHA vacancy backlog and that most displaced households would become net new demand on shelter systems. A commenter reported NYCHA vacancies had surged to approximately 6,740 in 2025 due to inadequate financial resources, so the rule would not serve HUD's stated waitlist-reduction goal.
- A commenter cited Marin's 0.5 percent homeowner and 3.0 percent rental vacancy rates, well below a healthy 5 percent, and argued that in such tight markets evicting a household does not instantly house another because housing is not interchangeable inventory.
- Commenters cautioned that removing families would lengthen already long waitlists for everyone, and a commenter cited Somerville Housing Authority data showing the existing affordable stock is wholly insufficient to meet current need.
- Commenters also argued that the administration's budget posture confirms the rule will not expand assistance: the FY2027 budget, released in April 2026, proposed no increase in voucher or rental-assistance appropriations to offset the shortfall and would fund only renewals of expiring vouchers, barring PHAs from serving new applicants on their waiting lists—so that, the commenter argued, families on those lists would not receive assistance even if vouchers were reallocated from mixed-status families. One commenter argued that the rule's effects reach the private rental market, and that California—with more than 7,000 affected households, more than any other state—would see added pressure on all renters. One commenter argued the country has ample private wealth to fund universal affordable housing, citing $184

trillion in total household net worth and estimating that $1 trillion could build roughly two million units at $500,000 each.

**HUD Response:** HUD acknowledges that the final rule is unlikely to result in an increase in HUD's overall budget or in a transfer of resources from other Federal programs to replacement households. As discussed in the RIA, HUD anticipates that any reduction in available resources would be distributed more broadly across assisted households, resulting in relatively small reductions in financial assistance for assisted families and in the operating subsidies provided to PHAs. The RIA provides a more comprehensive analysis of the potential effects of reallocating assistance under the final rule, including the anticipated impacts on affected households and PHAs. Based on this analysis, HUD has determined that the rule appropriately balances the interests of affected parties and responsible entities while furthering compliance with applicable statutory requirements and advancing the Department's policy objectives. HUD does not agree that the rule worsens the housing crisis. The rule does not reduce the underlying supply of housing; assistance surrendered by mixed families is reallocated to fully eligible households already on program waiting lists, and the RIA concludes that the net effect on homelessness is ambiguous because any increase in homelessness among displaced mixed families may be offset by a decrease in homelessness among the eligible households that replace them—roughly ten percent of assisted households having been formerly homeless. To ease transition, the rule preserves the temporary deferral of termination of assistance, available in HUD's discretion for up to 18 months, giving affected families additional time to secure alternative housing. In all events, Section 214(d)(2) prohibits HUD from providing assistance for the benefit of an individual before eligible status is documented and verified, and that mandate applies regardless of broader market conditions the commenters describe.

HUD appreciates commenters' additional information on potential costs from the proposed rule, e.g., downstream costs to health, education, child-welfare, and social-service systems. HUD does address homelessness and local-government costs, and the net effect is

expressly treated as ambiguous. Section 7 of the RIA ("Impact on Homelessness") analyzes both directions of effect: an increase in homelessness as some mixed families adjust to the withdrawal of assistance, potentially counterbalanced by a decrease in homelessness among eligible households on waiting lists, approximately 10 percent of whom are estimated to be formerly homeless. The RIA states plainly that the increase among displaced mixed families "may be more or less than" the decrease among replacement families and that "the net effect on homelessness is ambiguous." Section 7.2 further acknowledges that the costs of homelessness to local governments "can be substantial," arising from transitional shelters, community support, emergency services, health care, and interaction with the criminal justice system, and cites studies estimating those costs at $20,000 to $50,000 per person per year. HUD further acknowledges that the transfer and homelessness estimates depend on assumptions about household behavior—including take-up of prorated assistance, use of the up-to-18-month temporary deferral of termination, ability to negotiate the private market, and return migration—which the RIA sets out in the text and in Appendix A.

HUD acknowledges these downstream costs are largely presented qualitatively rather than monetized in the net calculation. The RIA notes that Section 7.2 references the "Cost of Eviction" calculator, which estimates local-government costs from evicted households' increased use of emergency shelters, emergency-room and inpatient services, foster care, and juvenile-justice services, indicating that HUD recognized these categories rather than omitting them. HUD did not conclude the rule produces net budgetary "savings"; the RIA characterizes the primary effect as a transfer of assistance, not a cost reduction.

***G. Costs shifted to state & local governments***

Commenters argued that the rule externalizes federal housing costs onto state and local governments without reimbursement. Commenters argued that HUD's cost estimate captures only a narrow set of administrative and moving costs and ignores the burden shifted to state and

local governments. A commenter argued that HUD's estimate of $17 to $33 million deliberately excludes the vast majority of real-world consequences imposed on families, communities, and state and local governments, so it is not a serious evaluation of costs. A commenter contended that states with higher noncitizen concentrations such as New York, California, and Texas would bear the brunt, citing a Los Angeles housing authority estimate of $17.8-$26.5 million in added public-housing administrative cost plus $7.0 million for its Section 8 programs, and that HUD made no allowance for such disproportionate regional impacts, making its "not economically significant" characterization not credible. A commenter added that HUD should weigh the effect on the affordable-housing delivery system that HUD and its state and local partners have built over generations. A commenter argued that removing mixed-status families reduces agency rental income while pushing families toward local governments and nonprofits for emergency support, shifting costs rather than reducing them. A commenter maintained that HUD's Executive Order 13132 conclusion of no federalism implications is erroneous because the rule imposes substantial costs on California state and local agencies.

A commenter added that states already strained after H.R. 1's Medicaid and SNAP reductions would face an unfunded mandate to verify eligibility for newly designated federal public benefits, requiring new policies, technology, and training.

Commenters argued that HUD's Regulatory Impact Analysis fails to calculate the costs the rule imposes on cities and other municipalities, which fall almost entirely on local taxpayers with no federal reimbursement. Commenters contended that New York State, with among the highest concentrations of mixed-status households, would absorb an outsized share of the harm, and a commenter calculated a one-time reporting-burden cost to New York of over $5.7 million using HUD's own per-household figures, more than four times HUD's nationwide estimate. Commenters maintained that the RIA is candid that the primary effect is to reduce the number of assisted households, because proration currently stretches the budget across more families, and that closing the gap would force payment-standard reductions or hundreds of millions in

unappropriated funds. Commenters objected that the RIA understates burdens on housing providers and landlords, who number far more than the roughly 20,000 affected families suggest.

Commenters challenged HUD's treatment of homelessness costs as sidestepped through an ambiguous net-effect conclusion offered with minimal explanation and ignoring costs to families and local governments. A commenter disputed as callous HUD's suggestion that local homelessness costs would fall if displaced families left the country, noting most affected members are citizens or eligible. Commenters warned that documentation demands would burden thousands of elderly and disabled citizens who may lack current documents, citing over 25,791 seniors and 15,671 disabled non-seniors in HACLA's portfolio alone. Commenters emphasized that affected families make up under 1 percent of assisted households, rendering the programmatic justification minimal against the fiscal disruption, with outsized effects on high-concentration jurisdictions. A commenter cautioned that state and local safety nets would absorb costs HUD sheds. Commenters added that eliminating prorated assistance is unsupported by program data, since citizenship is already verified for nearly all participants and only a fraction select that option, and tied maintenance of current capacity to the $311 to $385 million in additional funding HUD has not requested.

**HUD Response:** HUD acknowledges commenters' point that displacement can shift costs to municipalities and emergency systems. Section 214(d)(2) does not permit HUD to provide continued assistance to individuals whose eligible status has not been verified, and this requirement does not turn on the fiscal effects that implementation may have on any particular jurisdiction. As Section 7.2 of the RIA reflects, the costs of homelessness to local governments—arising from transitional shelter, community support, emergency services, health care, and interaction with the criminal justice system—can be substantial, with studies estimating $20,000 to $50,000 per person per year. Also as Section 7.2 reflects, HUD considered this and noted a partial offset: the cost to U.S. local governments of servicing homeless ineligible

households would decrease to the extent displaced individuals leave the United States, consistent with the RIA's treatment of return migration.

Additionally, while the rule would increase the risk of displacement, housing insecurity, and downstream effects for some currently assisted households with ineligible members, which could have local fiscal cost implications, the assistance that is redirected would allow fully eligible households currently on waiting lists to receive it. Thus, any local fiscal costs associated with affected households that cannot remain in their unit would be counteracted to a certain extent by the reduction in fiscal costs generated by the fully eligible households who would replace them.

As HUD explained in the Executive Order 13132 (Federalism) analysis, this rule does not impose substantial direct compliance costs on State and local governments and does not preempt State law within the meaning of that order, and under the Unfunded Mandates Reform Act that it does not impose a Federal mandate on any State, local, or tribal government or on the private sector, because the verification requirement of Section 214(d)(2) applies to HUD's provision of Federal assistance rather than compelling State or local expenditures. The RIA provides HUD's estimate of the verification, training, and other administrative costs that responsible entities from State and local governments will incur to conduct additional verifications that follow from the rule's requirements.

The direct information-collection burden the rule imposes on responsible entities is quantified in the Paperwork Reduction Act analysis, which estimates a one-time reporting burden for existing participants of 24,509 hours and $1,274,455 nationwide (19,600 respondents at 1.25 hours and $52 per response) and an annual burden for new admissions of 9,363 hours and $486,850, under OMB control number 2577-0295. HUD notes that the reporting burden falls on responsible entities administering covered programs rather than on municipal governments as such, and that the commenter's calculation of a State-specific reporting-burden figure exceeding HUD's nationwide estimate cannot be reconciled with the per-response burden HUD used to

derive the nationwide figure. To the extent commenters identify further downstream costs that State and local governments may bear, HUD did not treat those effects as direct costs of the rule because they depend on subsequent decisions by State and local governments and other funders outside HUD's regulatory authority under Section 214.

HUD acknowledges that affected mixed-status families constitute a small share of assisted households;, however, the statutory verification requirement applies without regard to the size of the affected population, and HUD has determined that the transfer of assistance to fully eligible households is adequately offset by the reallocation of HUD funds to the intended statutory recipients. HUD is unable to reproduce the commenter's State-specific figure from the per-response cost related to the Paperwork Reduction Act analysis. Applying HUD's estimated per-response burden of 1.25 hours and $52 to the affected respondents in any single State yields a figure well below the commenter's estimate.

***H. Verification & SAVE processing costs***

Commenters disputed HUD's premise that SAVE makes verification cheap, contending secondary manual review will fall on providers and drive costs well above HUD's estimate. A commenter argued that because SAVE's accuracy rate is unknown and it cannot manually review birth certificates or passports, most secondary verification falls on PHAs and owners, and leaving the details to future guidance makes HUD's cost figures a likely gross underestimate. A commenter contended that the estimate of $530,140 to $2.1 million for existing tenants wrongly assumes de minimis cost from SAVE use, despite documented unreliability of SAVE data sources and Social Security records lacking citizenship data for Americans born before 1978. A commenter asserted that HUD also omits the Title VI language-access costs of interpreters and translation that providers must bear. The same commenter argued that HUD's own EIV-SAVE matching-report rollout already produced chaos, unclear compliance directions, and letters from some housing authorities that violated the law, prompting three major industry groups to intervene, so cost estimates premised on smooth SAVE operation are likely a gross

underestimate. A commenter maintained that the Medicaid citizenship-documentation experience shows agencies incurred higher administrative costs, delays, and increased help-desk time, per GAO findings. A commenter added that authorities report a sharp rise in participants seeking help with passports, an unplanned cost of $135 for a child under 16 and $165 for an adult borne by extremely-low-income families. A commenter argued that providers would also have to collect status documentation from 120,000 older immigrants who previously attested under penalty of perjury. Commenters argued that HUD's impact estimate is very likely an underestimate because an estimated 3.8 million adult U.S. citizens lack any documentary proof of citizenship and nearly one in ten citizens over age 18 do not have ready access to such documents.

**HUD Response:** HUD appreciates comments on the costs for responsible entities' use of the DHS/USCIS administered SAVE program. HUD acknowledges that costs arise when resources are devoted to complying with a new policy. The costs to verify eligible assistance for benefits are necessary to meet the requirement for HUD to not make financial assistance available to persons other than U.S. citizens, or certain categories of eligible noncitizens. Section 214(d)(2) provides that the Secretary may not provide assistance for the benefit of an individual before documentation of eligible immigration status is presented and verified, so verification is a statutory precondition of assistance rather than a discretionary cost. HUD also notes that responsible entities register for and access SAVE through HUD at no cost. Finally, an estimated 99 percent of existing tenants who are U.S. citizens have already been verified by PHAs and owners, so the incremental verification burden is expected to be low.

***I. HUD-VASH impact concerns***

A commenter warned the rule would worsen access for veterans by making HUD-VASH vouchers harder to use, citing the Administrative Conference of the United States on administrative burden. A commenter cited the RIA's own estimate of approximately 20,000 households, nearly 80,000 people including about 36,000 children.

**HUD Response:** HUD notes that this rule does not alter the categories of eligible immigration status under Section 214 and applies the same verification requirement across covered programs; the rule's verification procedures apply to HUD-VASH participants as to other tenants.

***J. CoC / shelter / emergency-services strain***

Commenters cautioned that Continuum of Care programs, shelters, and emergency-services systems would absorb the fallout of displacement despite already operating beyond capacity. Commenters noted that CoC and shelter systems, which are not designed to backfill lost federal rental assistance, would face immediate new demand. A commenter argued that displacement would reduce jurisdictions' population-based federal funding, including Community Development Block Grant allocations tied to poverty, overcrowding, and housing conditions, compounding the harm to affected communities. A commenter cited roughly 62,000 people relying on affected assistance in one service area as the volume local homeless-services systems would be asked to absorb.

**HUD Response:** HUD appreciates the commenter's point regarding potential effects on population-based federal funding formulas. HUD has considered the cited estimates of potentially affected individuals and the capacity constraints facing local homeless services systems. However, the number of individuals who may be subject to the proposed verification requirements does not establish the number who will become homeless or seek assistance through a CoC or shelter system. The actual effects will depend on individual eligibility determinations, whether households experience displacement, their ability to secure or maintain other housing, and the availability of other resources and services.

Section 214(d)(2) requires HUD to administer covered housing assistance consistent with the applicable citizenship and eligible immigration status requirements. Section 214 and this rule govern verification of citizenship and eligible immigration status for the specific Section 214 covered programs identified in the proposed rule; they do not alter the Community Development

Block Grant program's separate statutory funding formula or the population, poverty, overcrowding, and housing condition data underlying that formula. Any effect on CDBG allocations resulting from population or demographic shifts is a function of the CDBG formula itself, which is outside the scope of this rulemaking. Although HUD acknowledges the commenters' concerns regarding the capacity of homeless-services systems, those concerns do not provide a basis for continuing assistance to individuals who do not satisfy the statutory requirements. HUD will continue to consider the potential effects of the rule on affected households and communities.

Additionally, while the rule may increase the risk of homelessness for some currently assisted households that include ineligible members, the assistance that is redirected would allow fully eligible households currently on waiting lists to receive it. Thus, any increase in homelessness among affected households that cannot remain in their unit, which could strain CoC resources, would be counteracted to a certain extent by the reduction in homelessness experienced by the fully eligible households who would replace them.

***K. Legal & regulatory exposure for housing providers***

Commenters warned that the requirements would place providers in conflict with other legal obligations and expose them to litigation and liability. A commenter argued that the rule would collide with state tenant-protection statutes—citing California's Immigrant Tenant Protection Act (AB 291) and the Fair Employment and Housing Act, which bar landlords from inquiring into or acting on immigration status—creating operational and legal uncertainty for providers caught between federal directives and state law. A commenter cited the Washington Law Against Discrimination as prohibiting housing practices that limit access based on national origin or perceived immigration status, warning that the required screening could push providers into practices Washington has rejected as discriminatory and expose them to legal risk. A commenter cited Michigan law barring national-origin discrimination in housing as a further source of conflict, and another pointed to Tennessee's expanding E-Verify requirements as

creating overlapping and potentially inconsistent state verification mandates. A commenter representing apartment owners warned that members could be caught between competing federal, state, and local fair-housing laws, some of which prohibit discrimination on the basis of immigration status, increasing liability exposure. A commenter contended that eviction is a legal process governed by state law and judicial discretion—noting that in jurisdictions such as Massachusetts, courts do not automatically grant eviction simply because a federal program requirement has changed—so PHAs cannot unilaterally complete the terminations the rule would require. A commenter argued the rule would generate increased eviction proceedings as tenants pursue challenges under state and local anti-discrimination laws. A commenter argued that the rule conflicts with HUD's own statutory mission to provide safe and stable housing, imposing administrative burdens and driving eligible families out of assistance without expanding access or improving program integrity. A commenter representing legal-services organizations argued that HUD's proposed reporting language misrepresents the scope of the existing reporting requirement under Section 404 of the Personal Responsibility and Work Opportunity Reconciliation Act—which applies to HUD and public housing authorities rather than private owners and requires reporting only of individuals the agency knows to be unlawfully present, not the broader standard HUD proposes.

Commenters argued that the rule would create operational and legal uncertainty and place PHAs in a legally precarious position, exposing them to litigation and conflicting obligations. A commenter characterized the expanded federal use of SAVE as federal overreach that undercuts state and local autonomy.

**HUD Response**: HUD has considered the legal and regulatory-exposure objections raised in these comments. As explained throughout this rule, the verification requirement is grounded in Section 214(d)(2), which provides that the Secretary may not provide financial assistance for the benefit of an individual before documentation of eligible immigration status is presented and

verified, and the proposed amendments bring HUD's implementing regulations into closer alignment with that statutory mandate.

***L. No new funding / unfunded mandate***

Commenters argued that the rule is an unfunded mandate: it imposes new compliance costs on agencies while identifying no new federal funding to cover them. A commenter argued that the rule creates massive compliance burdens and an unfunded mandate by requiring documentation from tenants amid cuts to housing programs and HUD staffing, leaving authorities, owners, and tenants to pay for implementation. A commenter contended that verifying eligibility for a larger universe of tenants, revising policies, updating systems, and training staff is a significant, completely unfunded cost burden, and only one of many recent HUD changes. A commenter asserted that the rule's enforcement costs are unfunded federal mandates on local agencies. A commenter maintained that one authority conservatively estimates $10.5 million in added annual cost, $5.49 million for public housing and $5.02 million for Section 8, to provide the same level of service.

Commenters contended that agencies would need hundreds of millions in additional, unrequested appropriations simply to maintain current service. A commenter argued that the $2,700 versus $7,700 per-person subsidy gap means that, absent supplemental funding, agencies can serve fewer fully-eligible families than the mixed families they replace. A commenter argued that because subsidies to PHAs are based on historical projections, at least a year would elapse before added. A commenter contended that HUD would need over $300 million in additional funds to maintain the same number of assisted family members. A commenter asserted that the rule would require spending an additional $2,100 per household, paid for by serving fewer households or cutting assistance.

Commenters warned that specific high-cost jurisdictions face large revenue losses and new costs with no federal reimbursement. A commenter argued that NYCHA collects higher effective rents from prorated mixed households than from fully subsidized replacements, so the

rule reduces net operating revenue amid an $80 billion capital deficit and $791 million operating gap; citing HUD's own 2019 Regulatory Impact Analysis finding that replacing mixed-status households nationally would cost $372-$437 million annually, and applying New York's 13 percent share, the commenter estimated a $48-$57 million annual revenue loss to New York authorities. A commenter asserted that the rule would cause $202 million in lost rent revenue. A commenter calculated that replacing 39 mixed-status households with single-status households would raise Washington County's annual program costs by more than $250,000, and a commenter reported that prorated households in one service area generate an additional $77,088 in annual rental revenue to the local PHA under the current rule. A commenter contended that Massachusetts PHAs would incur an additional $168,896 to verify 3,248 already-eligible participants at HUD's $52 hourly rate, plus added staff time updating occupancy plans.

**HUD Response**: HUD's own analysis quantifies compliance costs and the appropriations gap; it does not claim these costs are offset by new funding. HUD acknowledges that because eligible members of mixed families receive prorated assistance and have higher average incomes, replacing them with fully eligible households will require higher per-person subsidy and, absent an appropriations increase, fewer households would receive assistance. HUD maintains that the rule's primary benefit is reprioritization of assistance to fully eligible households under Section 214, not cost savings.

***M. General fiscal-responsibility / taxpayer objection***

Commenters objected that the rule is a fiscally irresponsible use of taxpayer money that will cost more than it saves. A commenter argued as a taxpayer against a rule that wastes money while harming families. A commenter asserted that the rule fails the basic fiscal test of costing more than it saves. A commenter contended that wasting tax dollars on enforcement that harms families is not good governance. A commenter maintained that the rule is deeply inefficient and will create further expense rather than savings. A commenter added that the change increases cost and regulatory burden.

Commenters contended that unhousing people is more expensive to the public than keeping them housed, so the rule is counterproductive. A commenter argued that unhoused families cost the taxpayer more than providing housing assistance. A commenter asserted that any savings would be dwarfed by long-term financial and social costs. A commenter contended that studies show it is cheaper and more effective to house people than to invent programs that harm them. A commenter maintained that kicking people out of their homes probably costs the government as much as simply keeping them housed.

Commenters warned that the rule adds bureaucracy and red tape whose administrative cost outweighs any benefit. A commenter argued that the new verification requirement adds bureaucratic red tape and asks how many millions it will cost each county and state and how many staff it will divert from services people actually want. A commenter contended that verifying citizenship for nearly 200,000 tenants would require significant taxpayer resources and worsen, not reduce, waste. A commenter asserted that reliance on untested SAVE introduces unnecessary duplication and raises serious questions about the responsible use of taxpayer resources. A commenter maintained that inviting costly legal challenges from many venues is itself the portrait of wasteful government spending.

Commenters emphasized that the rule harms citizens and taxpayers while producing no meaningful savings, often because ineligible members already receive no subsidy. A commenter argued that because subsidies are strictly calculated for eligible members only, mixed families are not disproportionately consuming resources and their removal yields no real savings. A commenter asserted that data indicate the $2,700 versus $7,700 per-person subsidy gap means the same funding supports far fewer people, harming citizens and eligible immigrants. A commenter contended that policing undocumented family members is a wasteful use of public funds. A commenter maintained that the rule reduces resources for HUD to advance its mission, harming all families, not only immigrants. A commenter added that estimated costs for assistance would rise by over $300 million because mixed households actually save tax dollars.

Commenters cautioned that the fiscal harm ripples into the broader economy, housing market, and litigation system. A commenter argued that the rule will cost millions in litigation costs for eviction proceedings. A commenter contended that eviction costs landlords $3,500-$10,000 per filing and each instance of instability costs taxpayers thousands to tens of thousands in emergency, hospital, and downstream costs. A commenter asserted that evictions would raise housing demand and let corporations push rents even higher. A commenter maintained that the rule converts public-housing stability into private-market insecurity that benefits landlords.

Commenters urged HUD to withdraw the rule and instead spend public funds where they do good, citing its poor cost-benefit posture. A commenter argued that responsible governance means spending tax dollars where they do good, which this rule does not (8503). A commenter contended that the additional $235 million this would cost citizens makes no financial sense and asked where the money is going. A commenter asserted that a full cost analysis is needed before the rule moves forward because implementation is not free. A commenter maintained that HUD should conduct and publish a detailed fiscal-impact analysis for high-cost jurisdictions and provide adequate administrative funding if the rule is finalized. A commenter added that removing eligibility would raise crime and healthcare-utilization costs borne by taxpayers.

Commenters added that unhousing hundreds of thousands will not save taxpayer dollars and that the burden reaches property management, other agencies, and states. A commenter argued that unhousing hundreds of thousands of people will not save taxpayer dollars and will instead create greater strain. A commenter contended that the compliance burdens on participants also fall on property-management staff, with implications for owners, investors, and FHA-insured lenders. A commenter asserted that Oregon, already stretched thin, lacks resources to absorb the sudden loss of housing support. A commenter maintained that serving eligible members of mixed households at reduced cost lets one authority stretch public funds, so replacing 39 mixed households would add over $250,000 in annual cost and cut capacity by at least 17 families.

**HUD Response:** HUD acknowledges commenters' contention that the rule will cost more than it saves, but notes that the RIA does not claim net budgetary savings as the rule's justification; rather, it characterizes the principal effect as a transfer of limited assistance to fully eligible households as required by Section 214 of the Housing and Community Development Act of 1980. HUD acknowledges in the RIA that higher-income replacement households require larger per-person subsidies, so that absent additional appropriations fewer households would be served.

***4. State, regional, and local impacts***

Commenters cautioned that the rule would concentrate its effects in the nation's most populous and expensive housing states, overlapping California, New York, and Texas, where approximately 71 percent of affected mixed-status families reside and displaced families would have the least prospect of finding affordable alternatives. A commenter noted that HUD's own internal data acknowledge this three-state concentration.

Commenters maintained that individual states would bear an outsized share of the rule's harm. Commenters put California at roughly 36 percent (or, approximately 7,000) of all affected mixed-status households nationwide and the state most at risk, given its large immigrant population and strained housing markets. Commenters contended that New York holds the third-largest (or, 2,500) mixed-status housing population and would absorb an outsized share, citing HUD database figures of roughly 2,600 mixed households, about 13 percent of the national total. Commenters stated that Massachusetts had approximately 910 mixed-status families at risk of eviction alongside more than 309,000 citizens facing new documentation requirements. A commenter placed the Texas total at nearly 4,500 mixed-status families that would be forced to separate or lose their homes. Commenters cited state-specific documentation-burden totals of 49,320 Oregon households receiving covered assistance, 97.5 percent of which include a citizen subject to new requirements, nearly 185,000 affected Virginia residents, nearly 49,000 Nevada residents or approximately 9 percent of Nevadans, and King County, Washington impacts drawn

from CBPP analysis. A commenter identified San Fernando Gardens as home to approximately 76 mixed-status families comprising 446 individuals. Commenters warned of acute regional strain in the Puget Sound area, the Bay Area, Portland, and Koreatown in Los Angeles, where nearly 7,000 people could face eviction. Commenters added that affected households include members with Deferred Action for Childhood Arrivals (DACA), Temporary Protected Status (TPS), and survivor-, student-, and work-based visas present through lawful channels, and that displaced families would receive no placement assistance.

A commenter reported that Santa Barbara County is home to approximately 302 mixed-status families with roughly 587 children, most of them U.S. citizens, all already complying with proration. A commenter specified that the City of Santa Barbara alone accounts for 148 mixed-status households and 252 children, of which 56 households contain no eligible adult, and that its housing authority serves roughly 3,000 households overall. Commenters put average annual household income for affected Santa Barbara families at about $18,000, making unsubsidized housing unattainable. Commenters warned that New York City would see over 11,000 people, including approximately 5,000 children, face eviction, with 500 to 1,000 Manhattan households at risk against closed Section 8 and NYCHA waitlists, and a commenter cited an estimate of 2,540 New York families losing housing, about 12 percent of the national total, alongside a prior HUD projection of roughly 6,600 displaced New York City children.

Commenters maintained that Los Angeles would absorb roughly 6,800 evictions or 1,700 affected families and units and 2,800 individuals, potentially raising local street homelessness. Commenters supplied comparable county and development-level figures for Fresno County, Santa Cruz County, Santa Clara County, San Luis Obispo County, Ventura County, Sacramento County, Yolo County, Orange County, Somerville, Massachusetts, and the City of Guadalupe. A commenter objected that these are neighbors, classmates, and members of the local workforce whom housing authorities can offer no alternative placement. Commenters cautioned that per-person subsidy in mixed-status households averages far less than in non-mixed households, so

displacement removes higher-rent contributions from the local system. Commenters raised parallel city-level harm to Utica's revitalization and emergency-shelter capacity and to Painesville, Ohio, and a commenter tied continued capacity to the $311 to $385 million in additional funding HUD has not requested.

Commenters also emphasized that the rule is not an abstract federal policy matter but would directly harm families in their own community, identifying Santa Barbara County as the locus of concentrated local impact. A commenter added that the rule threatens not only the physical safety of these families but their emotional and mental well-being.

**HUD Response:** HUD appreciates the state, regional, and local data commenters provided regarding the disproportionate concentration of mixed-status households in certain states and localities. Additionally, HUD acknowledges the personal and community-level significance of this rule's effects, including the emotional and psychological impact on affected families. As explained in the proposed rule and in HUD's responses above, this rule implements Section 214(d)(2)'s requirement that assistance not be provided to individuals whose eligible status has not been verified, and this requirement applies uniformly regardless of the concentration of affected households in a particular community.

HUD recognizes that mixed-status households are not evenly distributed nationwide and that some states and regions will experience more concentrated effects as a result. With respect to individuals present under DACA, TPS, or other statuses, HUD notes that Section 214(a) lists the categories of eligible noncitizens. This rule does not change the list, only the verification procedures and duration of proration applicable while status is being verified. Responsible entities are not required to provide alternative placement to families who do not qualify for continued or preservation assistance following verification. That mixed-status households are concentrated in a small number of high-cost, high-population states does not alter HUD's statutory obligation under Section 214. Additionally, HUD notes that responsible entities are not

required to identify or provide alternative housing placements for families who do not qualify for continued or preservation assistance under §§ 5.516 and 5.518 following verification.

***5. Community contributions of mixed-status households or immigrants***

***A. Labor and workforce contribution***

Commenters argued that immigrant and mixed-status households in assisted housing perform work the national and regional economies depend on, and that destabilizing their housing would remove workers from essential industries.

Commenters tied the point to agriculture and food production, stating that over half of all agricultural workers in California are immigrants and that immigrants are the driving force behind the state's agricultural productivity, that more than 900,000 farmworkers sustain California's economy, and that farms in California are already closing for lack of workers to harvest crops while the nation's food-producing regions depend on immigrant labor. Commenters named specific occupational sectors—health care and hospitals staffed at all levels by immigrant workers, caregiving and both informal and formal home care that HUD's regulatory impact analysis was said to overlook, construction, subway repair, and building maintenance, and bodega ownership and rideshare driving.

A commenter reported that Marin County's hospitality, health care, education, and construction sectors rely on a workforce already struggling to remain in the county, that displacement from Marin is the highest in the Bay Area, and that 64 percent of its workforce commutes in from elsewhere. A commenter cautioned that mass displacement would create workforce instability and weaken local economies across Nebraska.

Commenters supported the labor-contribution point with statewide workforce figures and firsthand testimony. Commenters cited that immigrants account for roughly one in ten residents and about 12 percent of the state labor force with particularly high participation in key industries. A commenter argued that immigrants, including undocumented workers, do critical work that would otherwise go undone a commenter made the same point about immigrants taking the

hardest jobs, and commenters portrayed immigrants as central to their communities. Commenters also framed the loss as a workforce and productivity harm to employers: a commenter attested to relying on employees with Employment Authorization Documents who also receive housing assistance, employers were said to face direct economic consequences from restricted housing access, and community workforce and adult-education organizations tied their employment programming to housing stability.

Commenters argued the rule would push students from mixed-status families to withdraw from higher education, curtailing future workforce participation, and that displacing a household makes it difficult or impossible for its working adults to keep their jobs. Commenters characterized immigrants as among the hardest workers in their cities who take on the most demanding labor, pointed to workers who harvest the nation's food, and stressed these families already work the jobs most others avoid. Commenters made parallel points about immigrants' work ethic and the reliance of working families on subsidized housing. Commenters echoed that immigrant and mixed-status families are hard workers whose displacement would cost their communities and workplaces. Citing a 2024 study in the journal Pediatrics, a commenter detailed how forced moves interrupt receipt of benefits and sever relationships with case workers and providers—disrupting the continuity of care and support that lets working families remain stable.

A commenter argued that HUD's regulatory impact analysis wrongly presumes ineligible household members do not contribute, overlooking their role in the nation's caregiving infrastructure: the commenter stated that as of 2020 roughly 69 percent of people age 65 or older need long-term services and supports, that an estimated 38 million family caregivers provide care valued at about $600 billion, and that immigrant family members fill this informal and formal caregiving role. A commenter warned that displacing an entire household can make it impossible for its U.S.-citizen or eligible-immigrant adults to sustain employment, with knock-on effects for their employers, and that in areas with mixed-status households and severe labor shortages this would deepen worker shortfalls in hard-hit sectors such as health care. A housing authority stated

that the households it serves rely on stable, affordable housing to maintain employment and contribute to their community, and a housing authority stated that mixed-status families contribute important labor to the local economy and that the rule would cause economic harm there.

**HUD Response:** HUD appreciates the perspectives raised by commenters regarding the contributions that immigrant and mixed-status households make to the labor force. Commenters appear to argue that because members of these families participate in essential industries, HUD should reconsider this rulemaking to better align regulations with the wording and purpose of Section 214 of the Housing and Community Development Act of 1980. However valuable such contributions to the workforce may be, Section 214 clearly prohibits HUD from making certain this financial assistance available to persons other than United States citizens or specified categories of eligible noncitizens. Furthermore, it is not clear that this rulemaking would lead households that leave Section 214 covered programs to withdraw from participation in these essential industries. HUD acknowledges that this rulemaking would adversely affect some tenants and applicants for Section 214 covered programs, especially mixed families and ineligible noncitizens. While commenters speculate about potential economic impact, they have provided no data or information that could be used to characterize accurately, either qualitatively or quantitatively, effects on workforce participation. Consequently, and consistent with OMB Circular A-4,[6] in the absence of direct evidence of quantifiable changes in workforce participation to be caused specifically by this rulemaking, HUD believes its accurately assesses the largest economic effects of this rule, and the largest effect is a transfer of housing assistance from mixed families to households composed solely of eligible members.

***B. Tax and fiscal contribution***

Commenters argued that immigrant and mixed-status households are net fiscal contributors—paying taxes they often cannot recoup in benefits—and that the rule would forfeit

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that revenue while shifting costs onto localities. Commenters supplied specific figures. Commenters cited that immigrants contributed over $651 billion in taxes in 2023 while receiving comparatively little in return, that undocumented immigrants paid $96.7 billion nationally in public revenues, and that California's immigrant residents pay $82.9 billion in federal, state, and local taxes annually and are responsible for 45 percent of new business formation in the state. Commenters cited that immigrants make up 11.6 percent of Colorado's workforce and contribute $7.7 billion, and that over a quarter million children there live with at least one immigrant parent. Commenters emphasized that New York City is home to more than 3 million foreign-born residents comprising roughly 38 percent of the population, and cited the Vera Institute of Justice for the figure that 27 percent of Oakland's population—about 112,300 people—are immigrants, of whom 61,000 are noncitizens at risk of deportation. Commenters citing the Cato Institute made the fiscal-contribution case as well, and a workforce provider reported facilitating 56 job placements and 353 job applications and generating $1.9 million in annual economic impact in 2024. A recurring, specific point was that immigrants—including undocumented workers—pay into Social Security and Medicare through payroll taxes without being eligible to collect those benefits, and pay sales and income taxes. A commenter detailed payroll, Social Security, Medicare, and sales taxes paid by undocumented residents in Ventura County, California.

Commenters also warned of the fiscal cost of the reverse: commenters argued that displacement would translate directly into significant fiscal costs for California, increasing demand on county health and behavioral-health systems, emergency medical services, homeless-response systems, and child-welfare and education systems. Commenters tied the point to rent paid, describing immigrant tenants contributing 30 percent of income toward rent and paying rent and taxes whose loss communities would have to absorb. A study projecting that an estimated 80,000 people, including 37,000 children (most of them U.S. citizens), could lose housing was cited in support of the scale of the economic disruption. Commenters characterized immigrant families as working families that contribute to the economy and pay taxes.

Commenters argued the characterized Los Angeles as one of the nation's largest economies, powered by immigrants of all statuses, and warned that forcing immigrant families out of Boston would cause significant population and economic losses. Commenters illustrated with a San Bernardino household-composition example how proration already scales assistance to eligible members. Commenters made the core fiscal point—that immigrant and mixed-status families work and pay taxes (including into systems whose benefits they cannot claim) and give back to the communities and economies they belong to. A submission relaying a report from Los Angeles City Hall stated that undocumented workers in Los Angeles County contribute approximately $253.9 billion in total economic output—equivalent to 17 percent of the County's gross domestic product—supporting more than 1.06 million jobs and generating $80.4 billion in labor income across construction, manufacturing, retail, and services.

Commenters added that immigrant workers' labor-force participation in Colorado exceeds that of U.S.-born workers, that immigrant-led households contribute tens of billions in earnings and billions in tax revenue annually, and that immigrants' national share of the labor force has more than tripled since 1970. Commenters cited a Cato Institute taxation study published this year finding that immigrants paid more in taxes than they received in government benefits in every year of the past three decades, and that their contributions helped reduce the national deficit by nearly a third over that period.

**HUD Response:** HUD appreciates the perspectives raised by commenters regarding the tax contributions that immigrant and mixed-status households make. Commenters appear to argue that because these households are net fiscal contributors (i.e., paying more in taxes than they recoup in benefits), HUD should reconsider this rulemaking to better align regulations with the wording and purpose of Section 214 of the Housing and Community Development Act of 1980. However valuable such fiscal contributions may be, Section 214 clearly prohibits HUD from making certain financial assistance available to persons other than United States citizens or

specified categories of eligible noncitizens. HUD cannot disregard clear statutory requirements because of the considerations that commenters cite.

***C. Local economy and community stability***

Commenters argued that stable housing for immigrant and mixed-status households underpins the stability, cohesion, and economic health of the surrounding community. Commenters tied housing directly to local economic outcomes: a commenter argued that stable housing means stable communities, stronger local economies, and better outcomes for everyone, a commenter maintained that stable housing lets people obtain and keep jobs, contribute to the economy, and build community, and a commenter argued that immigrant families are an important part of the economy and community of Medford and Massachusetts, and that putting bureaucratic barriers between them and stable housing would disrupt the local equilibrium. Commenters warned of cascading local effects including school funding and teacher losses, increased vulnerability and street crime, and erosion of sanctuary-city policymaking.

Commenters emphasized longstanding, harmonious mixed communities and the economic and social fabric that immigrant families sustain, and commenters argued that keeping families together is essential to the health and stability of their communities, letting children focus on school and adults work and contribute. Commenters argued that destabilizing these households would disrupt local economies and weaken communities where families are already deeply embedded, undermining the health, economic, and social systems California has worked to cultivate. Commenters characterized stable housing as the bedrock of economic development, arguing that without a safe place to live families cannot hold steady employment or children succeed in school.

**HUD Response:** HUD agrees that stable housing is foundational for many metrics of well-being, including the educational and economic outcomes for families and the broader economic health of communities. HUD acknowledges that this rulemaking may adversely affect some tenants and applicants for Section 214 covered programs, especially mixed families and

ineligible noncitizens. Commenters appear to argue that HUD should not proceed with rulemaking if it would lead to disruption of housing assistance for any household, regardless of whether the status quo is appropriately aligned with statutory requirements. However, Section 214 clearly prohibits HUD from making certain financial assistance available to persons other than United States citizens or specified categories of eligible noncitizens, and this rulemaking is needed to better align HUD's regulations with statutory requirements.

***D. Civic and cultural contribution***

Commenters argued that immigrant and mixed-status households enrich the civic and cultural life of their communities and that the nation's identity is rooted in immigration. Commenters wrote from communities they characterized as vibrant and diverse: Los Angeles and its neighborhoods, Chicago, Connecticut, Colorado, Santa Barbara, Long Beach, Jackson Heights, Queens—described as the most diverse neighborhood in the most diverse county in the country, Arlington, Massachusetts, Washington, and California generally. Commenters framed diversity as a civic and economic asset—a commenter tied their city's status as a top tourist destination and the tourism revenue it generates to that diversity, and a commenter wrote of caring about the community's diversity, breadth, beauty, and stability.

A commenter remarked that participants who serve missions abroad see conditions elsewhere and that people come to Utah to build a better life and help contribute to the state's economy. A commenter drew on personal experience to argue that immigrant families typically need about thirty years to stabilize—raising children, attending college, buying homes, and paying taxes—and that mixed-status families resolve their status over time and become key to the future of the country. A community foundation argued that housing is foundational to how families pursue opportunity and communities build power, and a community organization supported the African migrant community it serves.

Commenters also invoked the nation-of-immigrants and melting-pot framing, arguing the country was built as a melting pot that welcomed immigrants, that immigrants have built and

influenced American law and culture, and that turning away from immigrants betrays the nation's historical foundational framework. Commenters pointed to their own civic and community engagement: heritage in immigrant-owned business and civic leadership, work on HUD-funded housing projects, a background in community economic development and advocacy volunteering, and helping asylum-seeking families find housing, including 27 such placements. Commenters cited longstanding institutional work promoting economic opportunity for low-income New Yorkers since 1843 through research, policy advocacy, and direct services. Commenters characterized immigrants as friends, family, and neighbors who give back to their community, attend school and church, and build positive community and safe spaces. Commenters asserted that immigrant and mixed-status participants enrich the civic and cultural life of their communities and reflect the nation's identity as a country of immigrants. Commenters characterized Hawai'i as a cultural melting pot of mixed-status families whose daily exposure to many cultures enriched upbringing and community.

**HUD Response:** While HUD appreciates commenters' perspectives on how the diverse composition of their neighborhoods is a source of civic and cultural benefit, such considerations are not material to whether HUD should better align its regulations with statutory requirements. Section 214 prohibits HUD from making certain financial assistance available to persons other than United States citizens or specified categories of eligible noncitizens, and this rulemaking is necessary to bring HUD's regulations into greater alignment with the wording and purpose of that statute. The civic and cultural value that commenters describe, however genuine, is not a factor Section 214 permits HUD to weigh against the statutory eligibility limits, and HUD is not authorized to continue assistance contrary to the statute.

***E. Unaffordable local market / rehousing impossible***

Commenters argued that families losing assistance would be unable to find an affordable private-market alternative, so termination means displacement rather than a smooth transition to another unit. Commenters identified Santa Barbara County as one of the least affordable markets

in the nation, where affected families have extremely low incomes and could not remain housed without assistance. Commenters made parallel arguments for Santa Clara County, where 63 percent of roughly 22,000 served households are elderly or disabled and extremely low-income, Los Angeles County, especially for veteran households, Santa Cruz County, Santa Monica as one of the most expensive rental markets, Salem, Washington State, New York City, where 2.2 million residents live in poverty, and Oceanside. Commenters warned that California concentrates the highest-cost markets and largest immigrant population, so displaced families face the steepest re-housing barriers, with over 40 percent of California households already cost-burdened. Commenters urged jurisdiction-specific treatment for Puerto Rico, where a prolonged economic contraction deepens the shortage, requesting a supplemental notice of proposed rulemaking and a territorial impact assessment. Commenters added that county governments and community-based partners would bear the fallout that HUD sheds.

**HUD Response:** HUD appreciates the market-specific data commenters provided regarding the affordability challenges facing families who may lose assistance under this rule. As explained in the proposed rule and in HUD's responses above, Section 214(d)(2) requires that assistance not be provided to individuals whose eligible status has not been verified, and this requirement applies uniformly regardless of local market conditions, cost burden, or the availability of comparable private-market housing. HUD acknowledges that families losing assistance in high-cost markets may face significant difficulty securing alternative housing, but responsible entities are not required to identify or provide such alternatives for families that do not qualify for continued or preservation assistance under §§ 5.516 and 5.518 following verification.

Regarding Puerto Rico, HUD did not propose, and does not believe the statute permits, territory-specific variation in the verification requirements of Section 214, which apply to all Section 214 covered programs nationwide, including in the territories. HUD has determined that a supplemental notice of proposed rulemaking and separate territorial impact assessment are not

necessary, as the Regulatory Impact Analysis and Regulatory Flexibility Act analysis accompanying this rule address the anticipated burden on responsible entities across all covered jurisdictions.

***6. The Rule's Documentation Requirements are Too Strict***

***A. Documentation is too hard to obtain***

Commenters explained that many eligible U.S. citizens do not possess the documents the rule would require, because birth certificates and passports are commonly lost, were never issued, or were destroyed, and are burdensome to replace. Commenters observed that citizens born decades earlier, born at home, or born in jurisdictions with incomplete records may have no accessible birth record at all, and that replacing such records requires contacting the issuing jurisdiction and paying a fee. Commenters noted that older participants, participants who have moved across state lines, and participants who have experienced housing instability are especially likely to lack such records on hand. Commenters explained that documentation problems arise when a participant's records reflect a different name—for example after marriage or a legal name change—or when the participant was born in a different state, requiring cross-jurisdiction requests to reconcile the records. Some locations, like Puerto Rico, have geographical constraints that add additional burden to obtaining documents. Commenters argued that conditioning continued assistance on producing these documents would place eligible citizens at risk of losing housing for reasons unrelated to their actual eligibility.

Commenters offered local and national estimates on how many U.S. citizens lack ready access to citizenship documents: The National Low Income Housing Coalition estimates that approximately 3.8 million U.S. citizen adults lack proof of citizenship and an additional 17.5 million cannot easily obtain these documents, a figure also attributed to the Center on Budget and Policy Priorities, and one comment cited studies finding that over 14 percent of American citizens over 80 years old lack proof of U.S. citizenship in the voter-registration context. Commenters cited evidence that documentary-citizenship requirements fall unevenly by race and

age, including estimates that 25 percent of African-American citizens and 18 percent of citizens over 65 lack a photo ID, arguing that comparable requirements elsewhere caused eligible citizens to lose coverage.

Commenters described practical barriers to producing documents, including limited access to the internet, to government offices, and to the identification needed to request vital records, particularly for participants in rural areas and for those without reliable transportation. Commenters noted that obtaining documents may require online systems, payment by credit card, or in-person visits that some eligible participants cannot readily complete. Commenters identified the monetary cost of obtaining required documents as a direct burden on eligible citizens, noting that birth certificates, passports, and other vital records carry fees that must be paid to the issuing jurisdiction costs could reach into the thousands of dollars for an affected family. Commenters added that these out-of-pocket costs fall on low-income households least able to absorb them. Commenters argued that imposing these costs on citizens who already qualify for assistance is unjustified and asked the agency to weigh the expense against the existing declaration process, which imposes no comparable cost.

Commenters maintained that these access barriers would translate into denials and delays for otherwise-eligible citizens and urged the agency to account for participants who cannot navigate document-request systems within the timeframes the rule allows. A commenter also stated that Medicare or other federal health-program cards should be usable only as supporting evidence of identity or residence.

**HUD Response:** HUD acknowledges all the barriers identified by commenters and assessed in Section 6.2 of the RIA the costs to tenants and applicants associated with obtaining documentation to prove U.S. citizenship, or eligible immigration status. In recognition of the time and effort that may be involved in securing such documentation, the final rule adopts procedural safeguards that prevent terminations unrelated to eligibility. For example, before any denial or termination, the responsible entity must issue the notice required under proposed 24

CFR 5.514(d); an individual may pursue a records correction with the issuing or record-holding agency at any point during verification; and a family may request an informal hearing under proposed 24 CFR 5.514(e). A responsible entity may verify a tenant's status notwithstanding a name mismatch or record discrepancy where the individual provides sufficient documentation to reconcile the discrepancy.

Commenters raise several different types of difficulties that individuals may encounter in providing documentation, which should be distinguished—some may not have ready access to documentation, whereas a much smaller number may not have an official birth certificate or other documentary proof of their status. For individuals who do not have ready access to documentation, the rule provides a window of time for families to request such documentation. Commenters do not offer evidence of how many eligible citizens lack any documentary proof of citizenship. 24 CFR 5.510 provides that acceptable documentation of U.S. citizenship may include other acceptable documentation as specified in HUD guidance. Should the need arise to specify additional documentation for these rare cases, HUD can issue additional guidance.

For non-mixed families, HUD is requiring responsible entities to communicate the documentary evidence requirements to current tenants/participants within 30 days of the rule's effective date so that currently assisted tenants/participants who have not submitted evidence of citizenship or eligible immigration status required under § 5.508(b) may begin gathering any necessary documents in advance of their next annual or interim reexamination. As noted in 5.508(g), responsible entities may grant an extension of time to submit evidence where documents are unavailable and the family member is taking prompt and diligent effort to obtain such evidence. In acknowledgement of the barriers some individuals may face in obtaining documents, HUD is extending the flexibility to grant an extension by 30 days for a total of 60 days in the final rule, as described above. The final rule does not preclude a responsible entity from verifying participants' status due to name mismatches or record discrepancies, if the participant can provide the responsible entity with sufficient documentation reconcile the

discrepancies. HUD acknowledges and appreciates the examples of individuals who may experience particular barriers providing the documents described in 5.510(b) and, as provided in 5.510(b)(6), will issue further guidance of other acceptable documentation. Finally HUD does not view Medicare or health-program cards as sufficient proof of eligibility.

***B. Documentation requirements failed elsewhere***

Commenters drew on experience with comparable documentation requirements in other programs to argue that the proposed rule would produce similar harms, contending that citizenship-documentation mandates have previously caused eligible citizens to lose or be delayed in obtaining benefits. Commenters cited the experience under prior federal documentation requirements, in which eligible U.S. citizens—disproportionately low-income and elderly—encountered barriers to proving citizenship and lost coverage as a result, and argued that the same dynamic would recur under this rule. Commenters drew on named comparator programs: that after Medicaid added a paper-based citizenship-documentation requirement under the Deficit Reduction Act of 2005, eligible citizens experienced enrollment delays and coverage losses; in a Government Accountability Office survey, half of the 44 responding states reported the requirement had reduced enrollment among eligible citizens. A housing-assistance provider reported handling nearly 13,000 birth-certificate requests since 2010 to help clients establish citizenship, illustrating the real administrative effort involved.

Commenters used these comparators to argue that the documentary requirement is likely to burden eligible citizens without achieving its stated purpose. Commenters cited evidence that documentary-citizenship requirements fall unevenly by race and age, including estimates that 25 percent of African-American citizens and 18 percent of citizens over 65 lack a photo ID, arguing that comparable requirements elsewhere caused eligible citizens to lose coverage.

**HUD Response:** As stated above, HUD acknowledges that some applicants and tenants may face barriers in obtaining documentary evidence. The final rule requires responsible entities to provide notice of the documentary submission requirements within 30 days of the rule's

effective date and provides for responsible entities to grant time extensions. Additionally, as noted above HUD will issue further guidance on acceptable documentation as provided for in § 5.510(b)(6). Unlike the paper-only comparator programs commenters describe, this rule provides for primary verification to be conducted by the responsible entity through SAVE, so that an applicant or tenant is not required to assemble documentation in advance and submits documentary evidence only where SAVE does not confirm status. HUD has determined that this rule balances the interests of affected parties and responsible entities while improving compliance with statutory obligations and aligning with policy goals.

***7. Harm to groups***

***A. Mixed-status families and the loss of prorated assistance***

Commenters argued that the proposed rule would harm immigrant and mixed-status families by displacing families already complying with existing law, contradicting national values toward immigrants, reducing the affordable-housing supply, chilling participation among eligible members, and undermining family unity. Commenters raised general concerns that the rule would harm immigrant and mixed-status families, including through fear, family disruption, and loss of housing.

Commenters pointed to prior policies—including the 1996 welfare-reform law (PRWORA) and the 2019 public-charge rule—as evidence that analogous measures produce measurable chilling effects that deter eligible members from seeking assistance, and cited Executive Order 14012's direction to remove such barriers.

Commenters argued that the proposed rule forces mixed-immigration-status households to choose whether to remove the ineligible member and break up the family, or keep the family intact and lose housing assistance for the entire household. Commenters stressed that the choice is immediate for thousands of households already relying on the program, regardless of how long they have participated in the program or whether other affordable housing is available to the family.

**HUD Response:** HUD acknowledges the substantial volume of comments objecting that the rule forces mixed-status households to choose between separating the family and losing housing assistance and recognizes commenters' concern that this outcome is in tension with the stabilizing purpose of assisted housing. HUD notes that the rule and its Regulatory Impact Analysis do not require any family to separate; rather, they preserve a range of options for existing families that were receiving assistance under a Section 214-covered program, including temporary prorated assistance for mixed families while the eligibility of family members is being verified, and, for families that do not qualify for continued assistance, discretionary temporary deferral of termination of assistance for up to 18 months to allow additional time to arrange alternative housing. HUD reiterates that the rule's stated basis is aligning HUD's regulations with the eligibility limitation in Section 214 of the Housing and Community Development Act of 1980.

***B. Harm to children, especially U.S.-citizen children***

Commenters stated that removing a household's housing punishes children for the composition of their family, causing eligible U.S.-citizen children to lose assistance solely because another household member lacks eligible immigration status. Commenters emphasized that about 75 percent of mixed-status families consist of eligible children living with at least one ineligible parent, making separation unworkable. A commenter pointed to the agency's regulatory impact analysis and to the finding that approximately eighty percent of mixed-status families in HUD housing consist of eligible children and at least one ineligible parent.

Commenters argued that the proposed rule would harm children, and U.S.-citizen children in particular, through eviction and homelessness. Commenters stated this would cause developmental and educational damage, and harm to mental-health, including anxiety, depression, and trauma. A commenter contended that housing instability disrupts schooling in ways children do not recover from, describing mid-year school changes, lost academic footing, and long-term harm to school continuity, employment, and mental health when families are

forced to move. Commenters stated that HUD's own analysis acknowledges the rule risks conflicting with Executive Order 13045 (Protection of Children from Environmental Health Risks and Safety Risks) because of its adverse effects on child development. A commenter connected the rule to concrete health and child-welfare harms, citing research associating an eviction judgment with a substantially increased mortality risk and describing a voucher holder who relinquished assistance rather than lose a spouse providing medical care. Commenters warned that separation would push U.S.-citizen children toward the foster-care system when parents cannot both remain in the home and retain housing.

Commenters estimated 37,000 children would face eviction, and identified the reduction in assisted-housing supply as the mechanism driving increased child homelessness and poverty. Commenters stated that HUD's own estimates acknowledge that tens of thousands of affected participants are children and that the agency's analysis anticipates the resulting instability and its consequences for children's health and education. Commenters cited HUD's own analysis of the substantially similar 2019 proposal, withdrawn at the time, as estimating approximately 25,000 immigrant families would be evicted, including about 55,000 children who were themselves eligible for assistance. A commenter cited a Center on Budget and Policy Priorities figure of approximately 55,200 citizens and legal participants exposed to eviction or separation, including 35,400 citizen children. A commenter cited an estimate that more than 771,000 children live in households that could be affected, framing the developmental toll as a national-scale harm.

A commenter maintained that inadequate housing is itself a driver of family separation through the child-welfare system, citing evidence that inadequate housing was identified as a factor for roughly eleven percent of children who entered foster care and that homeless children enter foster care at many times the rate of their peers.

Commenters also contended that new documentation and proof-of-citizenship requirements would themselves jeopardize eligible children, including in households that struggle to produce records.

**HUD Response:** These comments reflect a genuine and serious concern, and HUD does not take lightly the impact this rule will have on children in mixed-status households. As explained in the proposed rule, HUD acknowledges that this rulemaking will adversely affect mixed-status families, and that the most significant effect will be to transfer assistance from mixed-status to fully eligible households; an outcome that will fall in part on children in those households. This outcome follows from Section 214(d)(2), which does not permit HUD to provide continued assistance on behalf of an individual whose eligible status has not been verified, regardless of the age of that individual or of other household members and does not create an exception based on a family member's status as a child. As explained in HUD's responses above regarding preservation assistance, a family that does not qualify for continued assistance may seek temporary deferral of termination of assistance under § 5.518(b), and no termination may occur before completion of the informal hearing process under § 5.514(e); these protections apply to mixed-status families with children in the same manner as to other affected families.

HUD has considered the estimates cited by commenters, including the estimate that more than 771,000 children live in households that could potentially be affected by the rule. The actual effects will depend on the eligibility determinations of individual household members and the circumstances of each household. These estimates, however, represent the number of individuals who could potentially be affected by the changes and do not establish that all identified individuals will be evicted or lose housing assistance.

With respect to documentation burdens on U.S.-citizen children specifically, HUD notes that primary verification of citizenship will be conducted through SAVE not necessitating the collection of documents; however, to the extent that document submission is necessary, it is consistent with existing practice for many responsible entities, which already routinely collect identity documents such as birth certificates for other program purposes. HUD's Regulatory Impact Analysis estimates that approximately 20,000 mixed-status families received assistance

as of December 2024, that children under 18 account for roughly 65 percent of the eligible family members in those households, and that families with children present, which HUD estimates likely leave assisted housing together rather than separate, represent approximately 16,000 (about 78 percent) of affected mixed-status families. HUD does not minimize this effect; as the Regulatory Impact Analysis explains, the net effect of the rule on homelessness is ambiguous, because any increase in homelessness among displaced mixed-status families may be offset by a decrease in homelessness among the fully eligible households, including formerly homeless households, who receive the reallocated assistance.

***C. Harm to specific communities and groups***

**Latino and Hispanic communities.** Commenters argued that the proposed rule would harm Latino and Hispanic communities disproportionately and characterized its effect as discriminatory or racialized in impact. A commenter emphasized the disparate racial impact of the change, observing that mixed-status families are overwhelmingly families of color—on the order of 96 percent, with Latino families alone representing roughly 86 percent—such that more than 68,000 Latino participants would face separation or the loss of housing.

Commenters contended that the rule effectively penalizes Latino families for lawfully accessing subsidized housing to which eligible members are entitled. Commenters asserted that fear associated with the rule would deter eligible members of Latino families from applying for or retaining assistance. Commenters maintained that the rule would increase eviction, homelessness, and displacement among Latino families.

A commenter maintained that the citizenship-status restrictions could result in increased racial profiling and discrimination targeting people of color and could deny U.S. citizens the ability to request housing assistance. A commenter requested that the agency not require U.S. citizens to prove citizenship as a condition of receiving support.

**Black communities.** Commenters argued that the proposed rule would harm black communities disproportionately, citing the number of black participants in mixed-status families

who would be affected and barriers black U.S. citizens face in obtaining citizenship documentation.

Commenters stated that the rule would jeopardize housing assistance for an estimated 6,200 black participants in mixed-status families, and contended that black U.S. citizens face heightened barriers to obtaining citizenship documents, including older participants who may lack birth records, making them disproportionately likely to be harmed by new verification requirements.

**AAPI communities**. Commenters argued that the proposed rule would harm Asian American, Native Hawaiian, and Pacific Islander communities, citing their concentration in high-cost areas and multigenerational households, the number of AAPI households receiving assistance, and added barriers such as language access.

Commenters stated that a large number of AAPI households, cited as over 680,000, participate in public housing, Housing Choice Voucher, or project-based rental assistance programs, and argued that the rule would disproportionately affect AAPI families living in high-cost metropolitan areas and multigenerational, mixed-status households, compounded by language-access barriers.

***Veterans***. Commenters, including one writing on behalf of veterans' legal clinic, argued that the proposed rule would harm veterans and their families who rely on assisted housing.

**Persons with disabilities**. Commenters argued that the proposed rule would harm persons with disabilities by imposing new documentation burdens, creating barriers to accessible housing, straining disability-related fixed incomes, and increasing the risk of homelessness and institutionalization.

Commenters argued that tenants with disabilities face heightened barriers to completing the verification process, including mobility limitations that impede in-person document requests and cognitive or communication barriers that complicate navigation of federal systems. Commenters maintained that the added documentary steps would disproportionately burden

disabled eligible citizens and could result in interruption of assistance where a tenant cannot complete the required steps within the timeframe allowed.

Commenters offered concrete illustrations of these barriers: one described beneficiaries who are elderly with dementia, who have developmental or psychiatric disabilities, or who have limited English, for whom obtaining and keeping identification is especially difficult.

Commenters stated that the rule's verification and documentation requirements would fall heavily on people with disabilities, including those for whom obtaining or producing records is difficult, and argued that some eligible tenants would lose assistance for inability to meet these requirements. Commenters contended that displacement would cost tenants their accessible or adapted units and that comparable accessible housing is scarce, creating barriers to relocation. Commenters asserted that tenants relying on SSI, SSDI, or similar fixed disability incomes could not absorb the loss of assistance without being pushed into poverty. Commenters maintained that the rule would increase eviction and homelessness among people with disabilities and, in some cases, force institutionalization for those with nowhere else to go.

**HUD Response:** HUD recognizes the particular hardship this rule may pose for the communities and groups commenters identified, including Latino or Hispanic Americans, black Americans, AAPI participants, veterans, and participants with disabilities, including those in accessible or adapted units. As explained in the proposed rule and in HUD's responses above, Section 214(d)(2) does not permit HUD to provide continued assistance on behalf of an individual whose eligible status has not been verified, and this requirement does not vary based on a family member's race, national origin, disability, veteran status, or any other protected characteristic. HUD notes that families who do not qualify for continued assistance may seek temporary deferral of termination of assistance under § 5.518(b), and that no termination takes effect before completion of the informal hearing process under § 5.514(e), protections that apply equally to all affected participants.

HUD's regulations at § 5.502 require responsible entities to provide required notices and documents in a manner accessible to people with disabilities, consistent with 24 CFR 8.6, and this rule does not alter that requirement.

HUD notes that veterans who are U.S. citizens or have eligible immigration status are not affected by this rule's verification requirements beyond the documentation and timing provisions applicable to all applicants and tenants, and that veteran family members without eligible status remain subject to the same preservation assistance protections, including temporary deferral of termination of assistance under § 5.518(b), available to other affected families.

***D. Elderly participants (incl. grandparents/caregivers)***

Commenters stated that eliminating the current exemption for individuals age 62 and older extends the verification obligation to household members previously excused from it. Commenters argued that the documentary requirement falls hardest on elderly citizens, who are least likely to have birth certificates or passports on hand and who face the greatest difficulty obtaining replacements. Commenters argued that the proposed rule would harm elderly participants by disrupting caregiving and grandparent roles, straining fixed incomes, increasing homelessness among a fast-growing older population, and endangering the health of frail and vulnerable seniors. Commenters noted that many older tenants live on fixed incomes and face mobility, transportation, and technology barriers that make gathering documents especially burdensome. Commenters warned that these barriers place elderly eligible citizens at risk of losing assistance for administrative reasons unrelated to their eligibility.

Commenters stated that many elderly tenants are raising or caring for grandchildren and other kin, and argued that the rule would disrupt these caregiving arrangements and the households that depend on them. Commenters contended that seniors on fixed incomes would be forced to choose among rent, food, medication, and transportation, describing the loss of assistance as pushing basic needs out of reach. Commenters asserted that the rule would increase eviction and homelessness among seniors, whom they described as among the fastest-growing

segments of the homeless population. Commenters maintained that displacement would endanger the health of frail, disabled, or isolated elderly participants, with consequences including deteriorating health and increased mortality. Commenters argued that HUD's analysis understates the burden on older households, citing figures such as a large share of affected households headed by tenants over 62 and impacts spanning hundreds of counties. Commenters noted that multigenerational households and tenants with limited English proficiency would face added difficulty complying.

Commenters stated that the rule would eliminate both a longstanding documentation exemption and the Section 214 signed-declaration process available to tenants aged 62 and older, replacing them with documentation many cannot produce.

**HUD Response:** HUD appreciates commenters' attention to the particular circumstances of elderly participants, including those serving as caregivers for grandchildren or other family members. As explained in the proposed rule, HUD is removing the age-62 exemption currently reflected in §§ 5.508(b)(2) and 5.216(e) so that verification of citizenship or eligible immigration status applies uniformly to all applicants and tenants under Section 214 covered programs, regardless of age. HUD's rationale, as set forth in the proposed rule, is to bring its regulations into greater alignment with Section 214 and to make the verification process more uniform across the tenant population. With respect to practical burden, HUD notes that verification of eligible immigration status for noncitizens 62 and older will follow the same process already used for other noncitizens under this rule, and that primary verification of citizenship is conducted through collection and review of documentation under § 5.508(b), which responsible entities already routinely handle for other program purposes.

***E. Survivors of gender-based violence***

Commenters argued that the proposed rule would harm survivors of gender-based violence by imposing documentation requirements that survivors fleeing violence cannot meet,

conflicting with VAWA safety and confidentiality protections, and increasing the risk of homelessness.

Commenters noted that survivors of domestic violence may be separated from their identity documents or unable to access records held by an abuser, and that requiring documentary proof can expose survivors to additional risk. Commenters stated that survivors who have fled violence often leave without identity or immigration documents, and argued that the rule's documentation requirements would strip assistance from survivors unable to produce records. Commenters asserted that the loss of assistance would increase eviction and homelessness among survivors and their children. Commenters asked the agency to account for the circumstances of survivors who cannot readily obtain the required records.

Commenters contended that the rule conflicts with the safety and confidentiality protections extended to survivors of domestic violence, dating violence, sexual assault, stalking, and trafficking, and warned that it could force survivors to remain with or return to an abuser to keep housing. Commenters contended that the rule conflicts with the protections Congress established for survivors under the Violence Against Women Act and the Trafficking Victims Protection Act. Commenters specified that survivors holding U-visas, T-visas, or VAWA self-petitions have documented status yet remain ineligible for HUD subsidy, so the rule would displace them from mixed-status households.

Additional commenters raised general concerns that the rule would harm survivors of gender-based violence, including their housing stability and ability to remain in contact with support services, without developing a further specific mechanism.

**HUD Response:** HUD takes the safety of survivors of domestic violence, dating violence, sexual assault, stalking, and trafficking seriously, and recognizes the particular difficulty this population may face in producing documentation. As explained in the proposed rule and in HUD's responses above, Section 214(d)(2) does not permit HUD to provide continued assistance on behalf of an individual whose eligible status has not been verified, and

this rule does not create an exception based on a family member's status as a survivor of violence. HUD notes that families who do not qualify for continued assistance may seek temporary deferral of termination of assistance under § 5.518(b), and that no termination takes effect before completion of the informal hearing process under § 5.514(e). HUD's existing protections under 24 CFR part 5, subpart L, implementing the Violence Against Women Act, including provisions governing confidentiality of information related to a survivor's status, are not altered by this rulemaking.

***F. Formerly homeless / unhoused***

Commenters explained that participants who have experienced homelessness frequently lack stable custody of identity documents, having lost or been unable to safeguard vital records during periods of instability. Commenters argued that requiring such participants to produce documentary proof would place newly or recently housed eligible citizens at risk of losing the assistance that stabilized their housing.

**HUD Response:** HUD recognizes the particular difficulty that participants who have experienced homelessness may face in producing identity documentation and appreciates commenters raising this concern. As explained in the proposed rule and in HUD's responses above, primary verification of citizenship is conducted through SAVE, and responsible entities already routinely collect this type of documentation for other program purposes. HUD also lists multiple forms of documentation described in § 5.510. HUD notes that § 5.508(h), if granted, shall not exceed 60 days to submit required evidence where a family member certifies that the evidence needed is temporarily unavailable and that diligent efforts are being made to obtain it, and that responsible entities must notify individuals of their ability to pursue a records correction with any agency that issued or maintains relevant records at any point in the verification process, consistent with § 5.512(d).

***8. Invest in and strengthen federal housing programs instead***

Commenters argued that the rule reflects misplaced priorities—spending on verification and enforcement machinery rather than on housing—and scapegoats immigrants for a systemic shortage. Commenters stated that the country faces a shortage of 7.1 million affordable rental units.

Commenters cited the administration's own budget requests proposing deep HUD cuts as evidence that housing stability is not a genuine priority, citing the FY2026 spending bill's partial funding to transition roughly 60,000 Emergency Housing Voucher families nationwide onto Tenant Protection Vouchers and the roughly 15,000 California EHV households at risk of eviction because that funding is insufficient. One commenter, writing as a local housing-authority commissioner in Florida, and others writing from Chicago and Los Angeles, urged that resources be redirected to maintaining and building housing in communities HUD had previously failed; the Chicago commenter stated that thousands of public-housing units were demolished decades ago and that HUD never fulfilled its promise to build replacement housing. Commenters also invoked the 2019 defeat of a similar proposal, urging investment in federal housing programs rather than renewed scapegoating. Commenters contended that economists, housing authority officials, career HUD staffers, and policy experts agree the change will not lower housing costs and instead villainizes immigrants rather than the private-equity actors responsible for rising home prices and rents.

Commenters maintained that HUD should withdraw the proposal and instead work with Congress to make major new investments in the federal housing programs so that everyone has a safe and affordable place to call home. Commenters maintained that the proposed rule fails to address the root causes of unaffordability and would deepen the housing crisis rather than relieve it. Commenters framed the ask as a reallocation of existing funding toward assistance rather than verification, and several tied it to specific programs, urging continued growth of Housing Choice Vouchers, Project-Based Vouchers, the Low-Income Housing Tax Credit (which the commenter urged be restored to match the 25 percent bond threshold changed by the One Big Beautiful

Bill), HUD-VASH, HOME, CDBG, CDBG-DR, and homeownership programs. Commenters also grounded the demand in the depth of the affordability problem, noting that in no state can a full-time worker earning the minimum wage afford rent and that policies removing assistance from tens of thousands of households cut against federal efforts to reduce homelessness and improve long-term stability.

Commenters argued that the rule ignores the underlying shortage and that HUD should instead build and preserve affordable housing. One commenter offered concrete supply-side measures—eliminating parking minimums for new construction, simplifying entitlement and permitting to reduce delays, creating social housing and community land trusts, reshaping land-use and zoning rules toward mixed use, stabilizing fees, subsidies, and financing so building homes is less costly and more predictable, and strengthening tenant protections and preservation funding so tenants can stay housed. Another argued HUD should advocate for a larger budget so PHAs can operate and maintain existing units and construct new ones up to their Faircloth limit, and should seek repeal of the Faircloth limit to expand public housing. One commenter located the root cause in corporate acquisition of housing stock rather than immigrants, and another attributed Texas cost burdens (over half of Texas renter households cost-burdened (50.5 percent), more than a quarter paying above 50 percent of income (25.8 percent)) to persistently high interest rates, elevated construction costs, a reduced construction labor force, and stagnant federal funding, citing the Harvard Joint Center for Housing Studies' "America's Rental Housing 2026" report. A commenter argued that investing in immigrant-serving organizations and homeless harm-reduction organizations would be a better use of funds, and asked HUD to retain the existing mixed-status families rule and to support keeping families together.

**HUD Response:** HUD disagrees that the final rule reflects misplaced priorities. Rather, HUD believes that the final rule is consistent with the Administration's priorities concerning immigration-law enforcement, regulatory reform, and efficient administration of Federal programs. In particular, the rule is consistent with Executive Order 14159, "Protecting the

American People Against Invasion," Executive Order 14165, "Securing Our Borders," and Executive Order 14287, "Protecting American Communities From Criminal Aliens," which emphasize enforcement of the Nation's immigration laws and protection of public resources. The rule is also consistent with the Administration's broader regulatory reform and government-efficiency efforts, including Executive Order 14222, "Implementing the President's 'Department of Government Efficiency' Cost Efficiency Initiative," and Executive Order 14238, "Continuing the Reduction of the Federal Bureaucracy." HUD believes that the proposed amendments further these objectives while bringing HUD's regulations into greater alignment with the statutory requirements of Section 214.

The rule is directed at who may receive assistance under existing programs, not at the size of the assisted-housing stock, and it therefore neither builds nor removes housing supply. As the Regulatory Impact Analysis explains, assistance no longer provided to mixed families is reallocated to fully eligible households already on program waiting lists. Building and preserving affordable housing is addressed through separate statutory authorities and appropriations, and nothing in Section 214 conditions its verification requirement on the pace of supply production. Accordingly, the availability of supply-side alternatives does not relieve HUD of its obligation under Section 214(d)(2) to verify eligibility before providing assistance. The Department nonetheless remains committed to pursuing, within its statutory authority and in coordination with Congress, regulatory and program improvements (such as through implementation of the 21st Century ROAD to Housing Act) that expand the supply of housing. Those efforts, however, are independent of, and do not displace, HUD's obligation under Section 214 to verify eligibility and to limit assistance to eligible persons.

***9. Rule is Contrary to Various Legal Requirements***

***A. Section 214 of the Housing and Community Development Act***

Commenters argued that HUD's changes to the verification requirements for HUD participants exceed its authority under Section 214 and are inconsistent with the statute's express

provisions. Commenters argued that Section 214 does not operate on individuals in the way the rule assumes and does not bar a household from assistance where one member is ineligible; instead, it directs prorated assistance so the family can remain together. Commenters grounded the conflict in the statute's operative language, arguing that the verification requirements apply with respect to financial assistance being or to be provided for the benefit of an individual, so a person not being or to be provided assistance falls outside the statutory verification requirement. Several read the verification text more narrowly than the rule: they argued the statute requires INS verification only for declarants younger than 62, so extending verification past that limit exceeds what the statute authorizes, and that Section 214 authorizes verification only by requiring presentation of documentation, giving HUD no basis to mandate SAVE searches of U.S. citizens.

Commenters also argued the statute assigns the verification-documentation decision to housing agencies and owners rather than to HUD, and that the Administration's immigration priorities cannot justify departing from Section 214's explicit terms.

They further argued that the age-62 declaration exemption is a deliberate choice by Congress that HUD may not override by rule. They argued the rule ignores Section 214's specific documentation exemptions for individuals aged 62 and older and for children under 18, including a 1988 amendment expressly exempting older immigrants from the documentation requirements.

Commenters characterized the statute's use of "shall" as an imperative that leaves HUD no discretion to abandon the proration framework for mixed-eligibility families. Commenters stated that nothing in the statute requires eliminating ongoing prorated assistance for mixed-status households; it precludes only the provision of financial assistance to the ineligible member, which providers address by prorating the assistance. Commenters maintained that nothing in Section 214 mandates terminating assistance to an otherwise eligible household once proration has been applied, framing the change as a discretionary policy shift rather than a

statutory mandate, and that the existing regulations already fulfill the purpose of Section 214 by ensuring no federal funds support ineligible members. Commenters argued that because Congress imposed no time limit on prorated assistance, HUD lacks authority to make it temporary, and that Congress knowingly permitted persons who decline an eligibility determination to reside in an assisted household, a choice HUD cannot reverse by rule.

Commenters also grounded arguments in case law, arguing that under decisions including *CMS Contract Management Services v. United States, 745 F.3d 1379, 1386 (Fed. Cir. 2014); Mertens v. Hewitt Assocs.*, 508 U.S. 248, 113 S.Ct. 2063 (1993); *Lockheed Corp. v. Spink*, 517 U.S. 882 (1996); and *Reich v. Compton*, 57 F.3d 270 (3d Cir. Ct. App. 1995), the statute's terms must be given their ordinary meaning and cannot be read to authorize what the rule does.

Commenters also invoked the rulemaking history, noting HUD's 1994 statement that Section 214 is specific about the special assistance to be provided to families with both eligible and ineligible members, at 59 Fed. Reg. 43900, 43902. They argued the proration framework reflects a deliberate policy choice by Congress that assistance may be provided to eligible members of mixed-status families so long as it is prorated, and that ending it contradicts HUD's prior interpretations and more than thirty years of sustained implementation. Commenters stated that, through Section 214, Congress intended to keep mixed-status families together, and that Congress enacted the prorated framework deliberately through the Housing and Community Development Act of 1987 as a compromise that limited new ineligible applicants while declining to break apart existing families. They added that if Congress had wished to end long-term prorated assistance it could have done so explicitly, and that HUD should not restrict statutory flexibility beyond what Congress authorized. A commenter contended that HUD may not make subjective legal determinations about the phrase for the benefit of that are not authorized by Congress or found in federal court rulings, and that HUD is neither a legislative nor a judicial body. Commenters added that even if the statutory language were ambiguous, the rule would still

conflict with Congress's longstanding intent, established in the 1980 and later enactments, to allow mixed-status families to receive prorated assistance.

Commenters argued that the rule alters the regulatory definitions at 24 CFR Part 5, Subpart E, that structure eligibility for mixed-status families, and does so in ways the statute does not require. They contended that many definitions in the current and proposed rule are inconsistent with Section 214, and that HUD lacks authority to delete or rewrite statutory definitions through this rulemaking.

Commenters argued the rule imposes a two-year disqualification on all members of a mixed household that exceeds the penalties Section 214 permits, and that, after *Loper Bright Enterprises v. Raimondo*, HUD's reinterpretation of these provisions receives no deference and must stand on the statute's text. They further argued the rule adopts non-statutory definitions of terms such as financial assistance and responsible entity, imposes penalties exceeding the statute including a two-year disqualification of all household members, and adds a new mandatory requirement to report individuals believed to be in violation of immigration law at 5.508(e)(2)(vi).

Commenters argued the elimination of the DHS and INS appeal procedures at § 5.514 independently violates the statute. Commenters argued that Section 214(d)(5) entitles a person whose assistance is denied or terminated on immigration-status grounds to a hearing with written findings and questioned how the rule complies with that requirement. They argued the informal hearing provided under § 5.514 is inadequate because it relies on the incomplete and untested SAVE system, leaving households unable to meaningfully contest an adverse determination, and that the rule provides insufficient timelines and disregards the practical barriers households face in responding.

**HUD Response:** HUD disagrees that the rule conflicts with Section 214. Section 214 prohibits the Secretary from making financial assistance available to persons other than U.S. citizens or specified categories of eligible noncitizens, and section 214(d)(2) provides that the

Secretary "may not provide … assistance for the benefit of … [an] individual before documentation [of eligible immigration status] is presented and verified." An individual without verified eligible status living in a mixed household receiving long-term prorated assistance is benefiting from HUD financial assistance in a way that is prohibited by Section 214. The rule brings HUD's implementing regulations into greater alignment with this text by requiring verification of the status of all applicants and recipients regardless of age and by treating prorated assistance as a temporary condition pending verification, "where permitted by statute." The statute's proration provisions in section 214(c)(1)(A)–(B) are preservation-assistance provisions for families receiving assistance on February 5, 1988; this rule retains temporary prorated continued assistance and temporary deferral of termination as the statute requires and does not abandon the framework Congress enacted.

As to the age-62 point, the preamble to the proposed rule explains that Section 214 conditions verification on the presentation of documentation and does not create a permanent, self-implementing exemption from status determination for older individuals; the current "do not contend" option, not the statute, is what produces no actual determination of status. HUD is retaining and modernizing the SAVE-based verification process it already uses for eligible immigration status and extending the same uniform process to declarations of U.S. citizenship, making verification more uniform for citizens and eligible noncitizens. Responsible entities remain the entities that collect and review documentation and submit information to SAVE, consistent with the statute's assignment of verification functions to housing agencies and owners.

HUD disagrees with commenters who say that the rule's definitions are inconsistent with the statute. HUD standardizes and updates language used in its definitions, but it intentionally did so consistent with the statute. By way of example, HUD replaces the obsolete "INS" definition with "DHS," removes references to programs no longer in effect (the Rent Supplement and Section 235 programs, for which HUD notes no active contracts remain), standardizes the defined phrase "evidence of citizenship or eligible status," and adds a defined term "preservation

assistance" that expressly includes the two statutory forms—prorated continued assistance and temporary deferral of termination—implemented at §§ 5.516 and 5.518. Revised § 5.506(b) tracks the statute by providing at § 5.506(b)(3) that a family with at least one member of any age who has U.S. citizenship or eligible immigration status is eligible for temporary prorated assistance under 5.520 pending final verification of other members.

Removing the outdated INS-appeal machinery in § 5.514 reflects the shift to SAVE while preserving an informal-hearing right.

The provision in 24 CFR 5.514(c)(1)(iii) which terminates assistance of a family member who knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the public or assisted housing unit of the family member for at least 2 years is a reasonable restriction on participation and is not inconsistent with statute.

HUD disagrees with the interpretation of § 5.508(e)(2)(vi) that it adds a new mandatory requirement to report individuals believed to be in violation of immigration law. It requires PHAs now notify tenants that they are required to notify DHS when a determination is made, consistent with the rules of this outlined in the proposed rule. There is no reporting requirement placed on tenants, and there is no requirement that PHAs or owners speculate on a tenant's citizenship status.

HUD disagrees with commenters that this rule removes the appeal process. This rule continues to provide the opportunity for informal appeal. The rule provides a meaningful process to contest determinations. HUD retains the statutory two-step verification structure: if primary verification through SAVE does not confirm status, the responsible entity must perform secondary verification and provide written notice that describes the primary-verification result, identifies the documentation or information needed, states deadlines, and informs the individual of the right to seek records corrections with the agency that issued or maintains the record at any time. The statute's reasonable-opportunity period (not to exceed 60 days) to submit further evidence is preserved. A family may then request an informal hearing under § 5.514(e), and,

before any denial or termination, receives the notice required by § 5.514(d), which explains the reasons, the availability of proration pending final verification, and the criteria for preservation assistance.

The rule strengthens, rather than weakens, these safeguards relative to the outdated INS-appeal machinery it replaces, by adding the intermediate § 5.512(d)(1) notice and by allowing records correction at any point in the process. Assistance for applicants may be delayed during the informal-hearing process, but the hearing right and written-notice requirements remain intact, and existing tenants retain proration pending final verification.

***B. Administrative Procedure Act—Arbitrary and Capricious***

Commenters argued that the rule is arbitrary and capricious under the Administrative Procedure Act, asserting that HUD relied on inflated figures while omitting qualifying language and drew unsupported conclusions. Commenters argued the rulemaking record is procedurally deficient, analytically incomplete, and substantively insufficient to support the proposed changes under the standards the Administrative Procedure Act requires. They contended HUD's regulatory analysis does not quantify the costs it imposes or support its central assumptions, leaving the agency's conclusions without a basis in the record. They added that the regulatory impact analysis leaves its claimed benefits entirely unquantified and speculative, and that HUD disregards its own analysis predicting increased family homelessness.

Commenters argued that HUD's treatment of regulatory alternatives ignores that the existing regulations already comply with Section 214 and that the change would create substantial administrative burden and harm without justification. They contended HUD did not adequately weigh less burdensome alternatives or the reliance of currently assisted households before proposing to eliminate the prorated framework.

Commenters argued the changes are arbitrary and capricious because HUD substantially alters the eligibility verification process, including removing existing administrative provisions, without a reasoned explanation. They contended HUD mischaracterizes the prorated framework

and offers a justification that does not support the departure from more than thirty years of consistent implementation. Commenters argued the rule reverses HUD's prior position without acknowledging or grappling with the earlier rulemaking record, contrary to the reasoned-explanation requirement.

**HUD Response:** HUD appreciates these comments but believes that these comments largely misunderstand or mischaracterize HUD's analysis. HUD believes that the proposed rule provides a reasoned explanation for its rulemaking and that both the proposed rule and the RIA show that HUD considered alternatives. The preamble in the proposed rule acknowledges that the rule would adversely affect some tenants, especially mixed families, and explains why HUD concluded that the reallocation of limited assistance to intended, fully eligible recipients justifies that cost.

The RIA analyzes regulatory alternatives, including grandfathering existing mixed families and applying the rule to new admissions only, limiting the change to households without children, and encouraging use of preservation assistance, and explains HUD's reasons for the chosen approach. Further, the proposed rule's preamble squarely addresses HUD's earlier construction, including the 1995 final rule's use of June 19, 1995 as the operative date, and explains why HUD now reads Section 214 to require verification of all members and to treat proration as temporary. That constitutes the reasoned explanation for a change in position that the record requires.

***C. Administrative Procedure Act—failure to consider reliance interests***

Commenters argued that mixed-status families have relied for decades on the prorated-assistance framework in arranging their housing and lives, and that HUD failed to account for those reliance interests before proposing to withdraw the framework. They contended that unwinding a longstanding policy on which households and housing providers have depended, without weighing that reliance, is a failure of reasoned decision-making. Commenters argued that reversing a longstanding policy requires a reasoned explanation acknowledging the change

under *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502 (2009), and *Encino Motorcars, LLC v. Navarro*, 579 U.S. ___ (2016), that after *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369 (2024), HUD's reinterpretation receives no deference, and that HUD ignored a less-disruptive alternative it had itself identified of grandfathering currently assisted families.

**HUD Response:** HUD appreciates these comments but again disagrees with the premise of the comments. HUD considered the position of currently assisted families. The preamble acknowledges that the rule would adversely affect some tenants and applicants, especially mixed families, and the RIA devotes extended analysis to the effect on those households, including the number who may exit assistance, moving and eviction costs, and effects on homelessness. HUD did not treat existing participants as if the change were costless; it concluded that reallocating limited assistance to fully eligible households on waiting lists is warranted notwithstanding those effects.

As a threshold matter, reliance interests, however substantial, cannot override HUD's determination of what Section 214 itself permits. The reasoned-decision making requirement articulated in Fox and Encino Motorcars governs how an agency must explain a change in policy that falls within its discretion; it does not authorize an agency to perpetuate a practice that the statute does not permit simply because regulated parties or beneficiaries have come to depend on it. HUD has determined, based on the text of Section 214, that indefinite continued prorated assistance for mixed-status families is not a permissible reading of the statute. Because that determination concerns what the statute allows rather than a discretionary policy preference, commenters' reliance interests cannot supply a basis for retaining a practice the statute does not authorize. HUD's obligation to account for reliance interests is therefore properly addressed through the transition mechanisms discussed below, not through continuation of an ultra vires practice.

HUD also expressly identified and analyzed the grandfathering alternative. The RIA's Regulatory Alternatives section evaluates grandfathering all existing mixed families and

applying the rule to new admissions only, under which mixed families would be replaced over time based on existing turnover trends, and evaluates continuing assistance to a subset of mixed families and encouraging preservation assistance to ease transition. In addition, the rule preserves transition mechanisms recognized by the statute—prorated continued assistance and temporary deferral of termination of assistance (up to the statutory maximum deferral period)—which mitigate the disruption to families currently receiving assistance. Consideration and rejection of a less-disruptive alternative, with reasons, satisfies the obligation to account for reliance interests.

***D. Paperwork Reduction Act***

Commenters argued the rule would newly require private housing providers to collect information, and that HUD improperly relies on an existing OMB control number to avoid a fresh information-collection review under the Paperwork Reduction Act. They contended the rule's paperwork-burden analysis understates the added burden the new collection imposes. They argued the rule imposes a new information collection whose burden HUD understates, that the added applicant-notice step at § 5.512(d)(1) compounds that burden without analysis, and that the notice itself is so convoluted that it defeats meaningful notice and comment.

**HUD Response:** HUD satisfied its procedural obligations. The information-collection requirements were approved by OMB under control number 2577-0295, and the preamble sets out the estimated burden, including tabulations of one-time and annual reporting burden by program (for example, one-time Section 8 HCV burden of 11,990 respondents at 1.25 hours each). HUD explains that the added burden is relatively low because most existing tenants have already provided identity documentation for other purposes—an estimated 99 percent of existing U.S.-citizen tenants have already been verified—and because primary verification uses the same SAVE input for citizens and noncitizens. The notice step at § 5.512(d)(1) arises only when primary verification does not confirm status and is reflected in the burden estimate.

***E. Regulatory Flexibility Act***

Commenters argued the Regulatory Flexibility Act requires HUD to consider regulatory alternatives affecting small entities, and that HUD did not adequately do so before proposing the rule. Commenters said that HUD's minimal-impact assertion is baseless because all assisted families must undergo re-verification. They also argued the notice's added SAVE-notice steps at § 5.512(d)(1) compound burden without adequate analysis.

**HUD Response:** HUD satisfied its procedural obligations. HUD certified that the rule will not have a significant economic impact on a substantial number of small entities, supported by data that in 2024, 92 percent of PHAs and 97 percent of housing owners had mixed families representing less than five percent of their assisted households, and that primary verification uses the same automated SAVE process for all declarants. HUD nonetheless invited comment on less burdensome alternatives. On the Unfunded Mandates Reform Act, HUD determined the rule imposes no federal mandate on State, local, or tribal governments or the private sector within the meaning of UMRA. The rule was published for a 60-day comment period.

***F. National Environmental Policy Act***

Commenters argued that the rule would displace households and change occupancy across federally assisted housing at a scale requiring environmental review, and that HUD proceeded without the National Environmental Policy Act (NEPA) analysis the action requires. Commenters argued HUD's own NEPA regulations require review of socio-economic effects such as displacement and homelessness, that the action's intensity and context warrant an environmental impact statement, and that Executive Order 12898 requires environmental-justice review of adverse effects on minority and low-income populations.

**HUD Response:** As explained in the proposed rule, because the rule does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition, or new construction or establish, revise or provide for standards for construction or construction materials, manufactured housing, or occupancy, the rule is categorically excluded from

environmental review under NEPA. In addition, Executive Order 12898 was rescinded by Executive Order 14173 on January 21, 2025.

***G. Unfunded Mandates Reform Act***

Commenters argued that the rule implicates the Unfunded Mandates Reform Act by shifting costs to state and local governments.

**HUD Response:** Taking the statute as a whole, it is HUD's interpretation that an individual cannot elect to not contend eligible status. The declaration contemplated by the statute offers only two options: either the individual (i) is a U.S. citizen or (ii) has satisfactory immigration status. To better align HUD's regulations with Section 214, HUD is eliminating the option for individuals not to contend eligible status. The effect of this change makes the provision of proration found in 42 U.S.C. 1436a(b)(2) temporary pending affirmative verification of eligibility or ineligibility of all family members. As for the PHA discretion in Section 214(i)(2), HUD does not interpret this provision to offer permanent discretion to PHAs as to whether or not to verify eligibility, as such an interpretation would contradict Section 214's restriction of financial assistance to individuals with affirmatively established immigration status.

***H. Fair Housing Act and the duty to Affirmatively Further Fair Housing***

Commenters argued that HUD failed to consider the rule's disparate impacts, including on U.S. citizens with disabilities who rely on ineligible household members for care. Commenters argued the rule would produce disproportionate harm to immigrant, Latino, and other protected communities without sufficient justification, in violation of the Fair Housing Act's prohibition on facially neutral policies that have a discriminatory effect. They argued the harm falls on families with children, implicating familial-status protections. Commenters expressly invoked the disparate-impact framework of *Texas Department of Housing and Community Affairs v. Inclusive Communities*, 576 U.S. 519 (2015), and its burden-shifting

analysis, advanced an intentional-discrimination theory under the Arlington Heights factors, and argued that families with children are protected under the Act's familial-status provisions.

Commenters argued the rule would violate HUD's statutory obligation to administer its programs affirmatively to further fair housing, because HUD's own analysis predicts the greatest harm to families with children and to protected communities, the opposite of furthering fair-housing goals. They cited HUD's contemporaneous English-Only policy as further evidence that the agency was abandoning rather than advancing its fair-housing obligations.

Commenters, including local governments, argued the rule is inconsistent with commitments to affirmatively further fair housing and equitable access, and urged HUD to evaluate the disparate impacts before proceeding.

**HUD Response:** HUD disagrees with comments alleging that the rule violates the Fair Housing Act. The rule merely provides updates to procedures to verify eligibility for programs covered by Section 214. The Housing and Community Development Act establishes the statutory eligibility requirements for the covered housing programs. This rule does not restrict access to housing under these programs on the basis of any protected class. Establishing procedures to follow statutory guidelines has no bearing on the agency's statutory directive to affirmatively further fair housing since no person is being denied housing on the basis of a protected class.

***I. Americans with Disabilities Act and Section 504 of the Rehabilitation Act***

Commenters argued that separating a tenant with a disability from a needed caregiver, or the loss of an accessible unit, would violate Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. A commenter protected under the Americans with Disabilities Act and Section 504 of the Rehabilitation Act argued that the rule would remove a household member who is an irreplaceable part of his support system, conflicting with the accommodation and integration obligations those statutes impose.

**HUD Response:** The rule does not alter HUD's or responsible entities' obligations under the Americans with Disabilities Act or Section 504 of the Rehabilitation Act, which continue to

apply in full to the administration of Section 214 covered programs, including any reasonable-accommodation obligations. The rule verifies eligibility against the statutory citizenship and immigration-status categories and does not classify or disadvantage any individual on the basis of disability.

To the extent an individual member of a household does not have verified eligible status, the statutory eligibility restriction, not the individual's or a household member's disability, governs the availability of federal assistance. Eligible members retain prorated assistance pending final verification and remain protected by the preservation-assistance provisions the rule preserves.

***J. Other federal statutes***

Commenters argued the rule expands the collection and sharing of citizenship and immigration-status information in ways that raise conflicts with federal privacy protections. They further argued the rule's treatment of "federal public benefit" and related provisions is inconsistent with the governing federal definitions Congress enacted. Commenters developed the SAVE-related conflicts in detail, arguing that the overhauled SAVE system violates the Privacy Act by repurposing records in bulk without a valid routine-use basis and by failing the Act's data-accuracy obligations; that sharing Social Security Administration data with DHS violates the Social Security Act's disclosure restrictions at 42 U.S.C. 1306(a); and that the Immigration Reform and Control Act of 1986, which created SAVE, did not authorize the system's expansion. They further argued that HUD lacks statutory authority to require owners and public housing agencies to make PRWORA reports to DHS and that compelling such reporting raises anti-commandeering concerns.

**HUD Response:** The rule does not exceed HUD's authority or conflict with the federal information-sharing framework it relies on. Verification is performed through the DHS/USCIS SAVE program, which HUD already uses for eligible-immigration-status verification, and the rule requires each family member to sign a verification consent form authorizing responsible

entities to collect and review status evidence and to release it to HUD and, for verification purposes, to DHS. The rule limits use of that information to verifying U.S. citizenship or eligible immigration status. HUD's participation in SAVE is governed by a memorandum of agreement, and the reporting referenced in the rule tracks the existing PRWORA section 404 framework described in the 2000 Interagency Notice rather than creating a new sharing regime.

Because the rule builds on collections already approved under OMB control number 2577-0295 and on the established SAVE architecture, HUD does not agree that it repurposes records without basis or expands SAVE beyond its authorized function.

***K. Constitution***

Commenters argued the rule would force families to choose between remaining together and keeping their housing, burdening the constitutionally protected interest in family integrity the Supreme Court has recognized. They argued that denying benefits to eligible U.S.-citizen children based solely on a parent's status infringes those children's constitutional interest in familial integrity, and that the rule is unconstitutional under the Fourteenth Amendment as well.

Commenters argued that terminating housing assistance directly affects housing stability and the ability to remain housed, so doing so without adequate notice and hearing deprives households of a protected interest without due process. They argued the Fifth Amendment's guarantees extend to persons rather than citizens alone, so noncitizens household members are entitled to basic procedural protections, and that the process the rule provides falls short of both federal and state constitutional due-process requirements.

Commenters argued the rule violates the Fifth Amendment's equal-protection component by treating U.S. citizens who live with immigrant family members differently from other U.S. citizens, without adequate justification. They argued the rule discriminates against Latino families on the basis of race, national origin, and familial status, and that official action reflecting a racially discriminatory purpose cannot stand. Citing *Plyler v. Doe*, 457 U.S. 202 (1982), commenters argued that imposing severe burdens on children based on immigration status fails

constitutional scrutiny. One commenter argued the rule is controlled by *Department of Agriculture v. Moreno*, 413 U.S. 528 (1973), in which the Supreme Court struck down, on equal-protection grounds, a program provision excluding any household containing a particular disfavored member.

**HUD Response:** The rule does not compel any family to separate. Rather, it implements Section 214's restrictions on providing Federal housing assistance to ineligible individuals, which also precludes allowing an individual without verified eligible status from living in a subsidized housing unit. Families may continue to live together, but they may not do so indefinitely while receiving Federal subsidies.

The rule also preserves transition protections—prorated continued assistance and temporary deferral of termination of assistance—that give families additional time to make housing arrangements. Any effect on household composition results from the family's own choices in response to the statutory eligibility restriction, not from a governmental directive to separate.

As discussed more fully above, HUD disagrees with commenters that this rule impinges upon a family's due process rights. This rule continues to provide the opportunity for informal appeal and provides a meaningful process to contest determinations. The rule strengthens, rather than weakens, these safeguards relative to the outdated INS-appeal machinery it replaces, by adding the intermediate § 5.512(d)(1) notice and by allowing records correction at any point in the process. Assistance for applicants may be delayed during the informal-hearing process, but the hearing right and written-notice requirements remain intact, and existing tenants retain proration pending final verification.

HUD also disagrees that the rule violates equal protection requirements. The rule implements a line Congress itself drew. Section 214 restricts assistance to U.S. citizens and specified categories of eligible noncitizens; the rule verifies eligibility against those statutory categories and does not create a new classification. The distinction between eligible and

ineligible persons is the statutory eligibility distinction, and the RIA explains the rule's purpose in program terms—targeting limited assistance to fully eligible households.

The rule applies uniform verification to all declarants regardless of age, race, or any other protected class, and does not single out any protected group for adverse treatment on a basis other than the statutory eligibility categories.

HUD also notes that *Department of Agriculture v. Moreno* is not relevant to this situation. *Moreno* involved a law which conditioned the provision of food stamps to households based on whether the members of the household were related. In *Moreno*, absent relation requirement, each individual would have been eligible for the benefit provided. Whereas this rule deals with households that contain individuals not independently eligible for assistance. Further, this rule clearly advances the government's interest of ensuring that assistance is only used on eligible members.

***L. Conflict with Executive Orders***

Commenters argued the rule conflicts with executive directives, including federalism requirements and directives concerning child and family welfare, because it would override state and local arrangements and produce family harms without the consideration those directives require. Commenters elaborated that the rule fails the deregulatory requirements of Executive Order 14192 "Unleashing Prosperity Through Deregulation," which directs agencies to identify at least ten regulations for repeal and to offset new compliance costs, because HUD identified no offsetting regulations to remove; that it does not satisfy the cost-benefit and alternatives analysis required by Executive Orders 12866 and 13563; and that HUD wrongly claimed Executive Order 13132 did not apply, skipping the required early consultation with State and local officials and the federalism summary impact statement. Commenters further argued that HUD improperly relies on Executive Order 14218 as a justification for the rule, contending that an executive order cannot override the express terms of Section 214 and that courts have already enjoined portions of that order. One commenter also argued the rule does not comply with the Consolidated

Appropriations Act, 2026 (Division D, Title II, Section 242), which requires HUD rulemaking to follow Executive Order 12866 and to allow at least 60 days for comment. A commenter objected that the rulemaking process, including the comment opportunity, was inadequate.

**HUD Response:** This rule is exempted from Executive Order 14192, section 5(a). Executive Order 14218 is valid justification as a reason for why HUD is considering this rule change at all. As explained in the proposed rule, HUD has fully complied with the requirements of Executive Orders 12866 and 13563 by providing the regulatory impact analysis and through coordinating with the Office of Management and Budget. This rule does not impose direct compliance costs on State and local governments, nor does it preempt state law, so the rule is in compliance with Executive Order 13132. Finally, the proposed rule was put out for 60 days of public comment.

***M. Contract and PHA legal exposure***

Commenters argued the rule would place PHAs in breach of their existing contracts, and that, because HUD would be making unauthorized legal determinations about the phrase for the benefit of, the rule invites litigation. They added that, with *Chevron* deference no longer available, HUD's reinterpretation of the governing statutes would be subject to prolonged legal challenge. Commenters argued that compelled evictions would breach existing tenant leases and that the rule is likely unenforceable because its drafting is ambiguous and defines eligible households inconsistently.

**HUD Response:** The rule does not place responsible entities in breach. PHA and owner obligations under their HUD contracts, and the leases they administer, are subject to the federal eligibility and verification requirements of Section 214 and its implementing regulations; conforming those requirements to the statute does not create a contractual conflict. HUD retains the notice, secondary-verification, and informal-hearing procedures before any denial or termination and preserves prorated continued assistance and temporary deferral of termination, so that terminations proceed only through the established process.

HUD also does not agree that the rule is unenforceably vague. The preamble defines operative terms and specifies the verification steps, deadlines, and hearing rights in the regulatory text, providing responsible entities with a clear compliance path.

***N. Impermissible retroactivity***

Commenters argued that applying the new verification and eligibility requirements to families already residing in assisted housing would impose new legal consequences on past arrangements, displacing households that entered and remained in the program under the prior framework. They contended that terminating or reducing assistance for currently assisted mixed-status households on this basis operates retroactively against settled expectations.

**HUD Response:** The rule is not impermissibly retroactive. It changes the conditions on which assistance is provided going forward; it does not impose penalties or new legal consequences on past conduct. HUD's existing regulations already condition continued assistance on ongoing eligibility, verification, and recertification, and the rule operates prospectively from the effective date of any final rule. The rule also provides transition periods rather than immediate divestiture.

HUD also retains the statute's transition protections for existing households. Prorated continued assistance and temporary deferral of termination of assistance under 24 CFR 5.516 and 5.518 remain available to eligible families, and temporary deferral affords additional time to transition to other housing. Applying updated, prospective verification requirements to participants who must in any event undergo periodic recertification does not attach new consequences to completed transactions; it adjusts the terms of an ongoing benefit.

***O. Conflict with state law and state preemption***

Commenters argued the rule would place housing providers in conflict with state just-cause and tenant-protection laws by compelling terminations those laws do not permit. They contended it would also conflict with State limits on inquiring about or disclosing immigration status, exposing providers to liability under both Federal and State regimes.

**HUD Response:** Congress has determined the requirements for who may reside in housing assisted with Federal programs. Section 214 prohibits Federal assistance to ineligible individuals, State or local law cannot override the Federal statute. Given the statutory requirement that Federal housing assistance only be provided to those with an eligible status, any terminations of assistance based on that would be considered just-cause and would be within the bounds of State and local law. Further, by enacting Section 214, Congress established a statutory framework requiring HUD to administer eligibility restrictions and immigration-status verification procedures. In carrying out these responsibilities, HUD possesses statutory authority to promulgate regulations necessary to implement the requirements of Section 214, including the authority to require disclosure of immigration status thus overriding State or local law should there be a conflict. At this juncture HUD does not foresee any conflicts between state and local laws, and this final rule. For example, California's Immigration Tenant Protection Act: AB 291 and AB 299 (2018), explicitly states that it does not prohibit a landlord from: 1) complying with any legal obligation under federal law, including, but not limited to, any legal obligation under any federal government program that provides for rent limitations or rental assistance to a qualified tenant, or a subpoena, warrant, or other order issued by a court; and 2) Requesting information or documentation necessary to determine or verify the financial qualifications of a prospective tenant, or to determine or verify the identity of a prospective tenant or prospective occupant. Civ.i Code §§1940.3(c)(1),(2). See also,Civ. Code § 1942.5(k). As such, this final rule does not conflict with California's Immigration Tenant Protection Act because it falls squarely under the exceptions as provided by the law.

***10. Ideological objections to the rule***

Commenters objected to the proposed rule on several ideological grounds. Some commenters characterized the proposed rule as cruel, inhumane, and counterproductive. Commenters asserted the rule is engineered to punish families rather than to reform administration, describing it as a radical overhaul that would harm thousands of families and

dismantle protections for the most vulnerable, and framing it as an attempt to maneuver around constitutional protections while penalizing citizens with families. One characterized the administration's stated justification as pretext for pursuing immigration policy by denying immigrant families housing assistance they have long been entitled to and creating fear in immigrant communities. A commenter asked what purpose is served by punishing mixed-status families, many with pending citizenship, and stated the change would cause real hardship to thousands of citizens and their loved ones.

Commenters opposed to this rule also state their opposition due to their religious beliefs. Catholic commenters invoked the dignity of the person, the sanctity of the family, and the common good. A commenter stated that by forcing families to move, HUD would be denying them the ability to practice their faith in their own community. Commenters stated that the increased housing instability that the rule would generate would impact families' ability to practice their faith—one cannot keep the Sabbath, observe Ramadan, or gather for prayer without knowing where the family will sleep. Some commenters grounded their opposition in scripture and religious teaching, invoking the command to welcome the stranger, to shelter the homeless, and to love one's neighbor.

Commenters characterized the rule as advancing a racist and xenophobic agenda and objected that it targets immigrant families. Commenters objected that HUD's own framing dehumanizes immigrant families, pointing to public statements characterizing mixed families as fraudsters, illegal aliens, and ineligibles told to pack their bags. Commenters argued that the rule is a pretext for discriminating against a disfavored class and that the Secretary's public statements reveal a different purpose from general statutory alignment. One situated the rule within what it characterized as a broader, cross-agency agenda to target immigrants from majority non-white countries, tracing that agenda to named senior officials and prior HUD actions.

Commenters argued the rule scapegoats immigrant communities amid intensified enforcement. One pointed to expanded detention and deportation activity and cited deaths in immigration detention—32 in 2025 and at least 14 more in 2026—arguing the rule compounds already dangerous enforcement practices Commenters also objected that the government should not condition assistance on the immigration status of household members, calling the result a human-rights violation.

Commenters characterized the rule as unjust. One argued the change would add to an already large unhoused population and amounted to cruel and unusual treatment. Others objected that the rule is morally wrong, describing it as immoral, sinful, and indefensible and urging HUD to abandon it.

Commenters characterized the rule as shameful and disgraceful, calling it a stain on the agency and the country. Commenters objected that the rule disregards the inherent worth of the people it affects. Some argued the rule treats people as administrative categories rather than individuals. Commenters stated that treating one member's ineligibility as grounds to destabilize an entire household fails to treat people as moral agents deserving of dignity and urged HUD to act with compassion and basic decency, asking that families be treated humanely rather than displaced.

A commenter characterized the rule as unconscionable and contrary to American values, stating it would affect thousands of families that include American citizens and would force families to choose between housing and staying together. Others argued the rule betrays HUD's core mission and its public-service duty to house people in need and create strong, sustainable, inclusive communities and quality affordable homes, because it would increase homelessness rather than reduce it. A commenter argued the rule directly conflicts with HUD's mission to provide decent, safe, and affordable housing to the communities most in need, because it would impose significant administrative and financial burdens on public housing authorities while reducing assistance.

**HUD Response:** HUD disagrees with the characterization of the rule as unjust, morally wrong, or shameful, intended to punish families, contrary to HUD's mission and statutory purpose, or a violation of a fundamental right. HUD takes seriously its responsibility to implement and enforce the law to ensure that Federal housing assistance funded by the U.S. taxpayer is used for the benefit of families who are eligible under U.S. law. To the extent that such housing assistance is currently used for the benefit of ineligible families, it is unavailable to eligible families who face many of the challenges asserted in these comments, ranging from homelessness to family separation to the lack of a community in which to establish roots, participate in public services, and achieve stability. Whether an individual is eligible for Federal housing assistance in the United States has no bearing on the inherent worth of that individual, and HUD rejects outright that the rule is a pretext for discriminating against a disfavored class.

HUD also respects the religious convictions reflected in these comments, but the eligibility restriction and verification requirement apply uniformly on the basis of citizenship or eligible immigration status and are not directed at any commenter's faith or religious exercise; nothing in the rule restricts any family's ability to practice its faith or to seek shelter from private, charitable, or faith-based sources.

***11. Change requests***

***A. Withdraw or substantially revise the rule***

Commenters urged HUD to withdraw or rescind the proposed rule in its entirety. Commenters urged HUD to reconsider the proposed rule and instead pursue approaches that maintain flexibility, ensure realistic timelines, conduct further impact analysis, and protect current participants; commenters added that prorated assistance should remain for families with ineligible members. Commenters stated that HUD advanced a nearly identical proposal in 2019, that it received over 30,000 public comments with approximately 95 percent in opposition, and that it was never finalized and was formally withdrawn by the Biden Administration in 2021 (in

part as inconsistent with Executive Order 14012); they argued the current rule revives that withdrawn effort without grappling with the earlier rulemaking record.

**HUD Response:** HUD appreciates commenters' concerns about the impacts of the proposed rule and their recommendations that HUD withdraw, reconsider, or substantially revise the proposal. After considering the comments received, HUD has determined that withdrawing or fundamentally reconsidering the rule is not warranted.

Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) establishes restrictions on the provision of financial assistance based on citizenship and eligible immigration status. HUD has determined that the regulatory amendments adopted in this final rule further the Department's implementation of Section 214 by strengthening verification requirements and ensuring that HUD-assisted housing is provided in accordance with applicable eligibility requirements. The final rule also makes prorated assistance a temporary condition pending verification of the eligible status of all family members, where permitted by statute, rather than a status that may continue indefinitely, further aligning HUD's regulations with the wording and purpose of Section 214.

***B. Request for clarification of rule status***

A commenter stated it is unclear whether the reported 60–90-day documentation requirements have been formally implemented or remain under consideration and requested clear guidance on whether the policies are currently in effect or still prospective, the anticipated timeline for any final rule, how existing households will be treated, and what protections, extensions, or accommodations will be available.

**HUD Response:** The requirements described in the proposed rule were proposals and did not take effect upon publication of the proposed rule. Existing families remain subject to the requirements in effect until the applicable provisions of this final rule become effective. Therefore, any extensions or other protections available under HUD's current regulations will continue to apply until they are replaced by the provisions in this final rule.

The final rule establishes the requirements that HUD is adopting, including the applicable documentation, verification requirements, and the treatment of existing assisted households. HUD may issue additional implementation guidance, as appropriate, to assist responsible entities in implementing the final rule's requirements.

***C. Extend comment period / hearings / consultation***

Commenters requested that, at a minimum, HUD extend the public comment period and conduct public hearings in the regions most affected to allow full consideration of the impacts identified in HUD's own regulatory impact analysis and of less harmful alternatives.

**HUD Response:** The proposed rule clearly identified the changes under consideration and the issues on which HUD sought public comment. HUD believes it provided interested parties with adequate notice and an opportunity to respond to the proposed rule.

The Administrative Procedure Act does not prescribe a minimum comment period, nor require HUD to extend a comment period. HUD believes that the 60-day period afforded the public a meaningful opportunity to submit data, views, and arguments regarding the proposed rule.

HUD received more than 16,000 comments during the 60-day comment period. The breadth of the public's participation supports HUD's position that the public had a meaningful opportunity to participate in the rulemaking process.

Further, the proposed rule builds substantially on an existing statutory and regulatory framework. Interested parties were not required to evaluate an entirely new regulatory framework within the 60-day period. Section 214 and HUD's implementing regulations already govern citizenship/immigration eligibility and verification. Many affected responsible entities already have experience with the underlying requirements. The rule's new requirements would build on existing verification procedures (including SAVE) and existing methods of calculated prorated assistance.

***D. Substantive changes***

A commenter recommended specific implementation measures should HUD proceed: adopting a one-time status-evidence requirement per family member during continuous occupancy with an obligation to report changes; setting a secondary-verification service-level target (e.g., 10 business days) and clarifying that assistance is not terminated or delayed while secondary verification is pending when acceptable documentation is on file; publishing a verification workflow covering initial and secondary SAVE steps, evidence standards, and typical timelines; and providing a privacy summary referencing the 2025 SAVE PIA/SORN updates.

**HUD Response:** HUD appreciates the commenters' recommendations regarding implementation of the final rule and notes that the rule includes provisions that address several of the issues raised by the commenters.

First, HUD notes that § 5.508(a)(5) already provides that, for each family member, evidence of citizenship or eligible immigration status is generally required to be submitted once during continuously assisted occupancy under a Section 214 covered program. The regulation further requires a family to immediately notify the responsible entity and submit evidence of the new status if a family member's citizenship or immigration status changes during occupancy.

Additionally, proposed § 5.512(d)(3) establishes a specific timeframe for secondary verification of eligible immigration status by requiring the responsible entity to request additional verification through SAVE within 30 days of notification of the results of primary verification.

With respect to the commenters' concerns regarding adverse action while secondary verification remains pending, § 5.514(b)(1)(i) in the rule provides that assistance to an applicant or tenant may not be delayed, denied, reduced, or terminated, on the basis of lack of U.S. citizenship or ineligible immigration status of a family member if the applicable verification process under § 5.512, including secondary verification under § 5.512(d), has been timely instituted but has not yet completed.

Regarding the commenters' recommendation that HUD provide additional information concerning the privacy implications of the verification process, specifically related to applicable Privacy Impact Assessments (PIAs) and Systems of Record Notices (SORNs), HUD recognizes the importance of protecting personally identifiable information used in the verification process and will comply with all applicable Federal privacy requirements. HUD will consider whether additional privacy-related information or guidance would be appropriate in conjunction with the final rule.

HUD may issue additional implementation guidance or technical assistance, as appropriate, to responsible entities in implementing the final rule's requirements.

***E. Compliance timeline & transition requests***

Commenters argued that the rule's compliance timelines were operationally unrealistic and asked HUD to provide phased implementation, longer windows, and clearer guidance. A commenter characterized the proposed timeline for time-limited proration as operationally unrealistic, requiring agencies to track additional deadlines, communicate changes to households, and handle hardship cases on a monthly basis while managing existing program demands. A commenter argued that the timelines for documentation collection and verification are infeasible given the unprecedented scale of reverification, anticipated delays in obtaining official records, and PHA capacity constraints. A commenter contended that the rule pairs a highly complex notice with a 90-day compliance window and only a single 30-day extension, which families cannot realistically meet. The commenter further explained that because the compliance clock runs from the rule's effective date rather than from the date a family is actually notified, households could lose much of the window—or all of it—before they learn the requirement applies to them. A commenter objected specifically to requiring mixed households to certify eligibility within 90 days of adoption while other households wait until their next income certification, calling the disparity unjustified. A commenter emphasized that the 30-day notice period is insufficient and places significant operational strain on providers navigating complex

verification while attempting to maintain tenant stability. A commenter argued the rule lacks clear implementation guidance for how PHAs should proceed when families cannot meet verification timelines or when terminations are delayed through the legal process.

Commenters requested a defined transition period before the rule takes effect. A commenter proposed a set of specific alternatives: delaying the effective date by at least six months to allow PBRA-assisted private property owners and PHAs to revise admissions and occupancy policies and procedures; tying verification timelines to each household's next annual reexamination rather than a fixed post-adoption deadline; permitting more than one 30-day extension; and allowing more than three six-month deferral periods before terminating assistance to mixed-status households. Commenters argued that the new responsibilities, combined with the 90-day compliance window following the effective date, would cause a significant shift in property management and operations with little room for error.

Commenters urged HUD to lengthen the compliance and relief timelines, asking for an implementation window of at least six months and for more generous extension and deferral allowances. Commenters argued that no rule of this magnitude should take effect in less than six months, given the time PHAs need to update internal controls and prevent wrongful terminations of eligible individuals. A commenter urged that PHAs be permitted to grant multiple 30-day extensions to accommodate bureaucratic delays and documentation costs. A commenter maintained that mixed-status households should be allowed more than three six-month deferrals to facilitate stable transitions and prevent abrupt loss of housing.

Commenters urged that the rule not take effect immediately upon finalization, asking HUD to provide an adequate implementation period, clear standardized guidance, and lead time before enforcement so agencies can revise admissions and occupancy policies. A commenter added that notification and documentation timelines should begin at each household's next annual reexamination so families have adequate time to gather records.

**HUD Response**: HUD acknowledges commenters' requests for additional time and phased transition procedures and has structured the rule to provide a measured implementation period rather than an immediate cutoff. HUD believes that, to the extent the current regulations are not in compliance with Section 214, it is valuable to come into compliance as soon as practicable. There are individuals who will be harmed by unnecessary delay—individuals who are currently assisted by HUD programs may be ineligible for that assistance, while eligible individuals remain on waiting lists. In the interest of serving eligible families as soon as possible, HUD chooses not to delay the effective date of this rule further than necessary. Although the rule becomes effective 30 days after publication, the effective date does not require all existing households to complete the new verification process on that date. The majority of households will have a year or more to submit evidence of U.S. citizenship. Accordingly, HUD determined that affected households and responsible entities will have sufficient time to comply with the new requirements, without requiring further delay the rule's effective date.

Under the notice provisions, responsible entities must give each tenant who has not submitted evidence of citizenship or eligible status the required Section 214 notification no later than 30 days after the effective date of the final rule. Under § 5.508(f)(2)(i), tenants in mixed families who have not previously submitted the required evidence must do so within 90 days of the effective date, while other affected tenants submit at their next annual or interim reexamination of income and household composition, in accordance with program requirements. HUD determined that an earlier submission deadline is appropriate for mixed families because changes made by this rule may affect a mixed-status family's continued eligibility for assistance before the family's next scheduled reexamination. Deferring submission of the required evidence until the next annual or interim reexamination could therefore result in assistance continuing beyond the point at which the family is no longer eligible under the applicable requirements. By contrast, for other existing tenants, HUD has determined that collection of the required evidence may appropriately be incorporated into the ordinary reexamination process, thereby reducing

administrative burden on responsible entities and tenants. The differing timeframes thus reflect the different circumstances of these groups while allowing implementation to be staggered where appropriate.

HUD appreciates commenters' concerns regarding the interaction between the notice and documentation requirements. HUD has considered these concerns but declines to tie the 90-day compliance period to the date on which each individual family receives notice. Creating uniform periods measured from the effective date provides clear and administrable implementation deadlines for both responsible entities and mixed families. HUD encourages responsible entities to provide notice of Section 214 requirements as promptly as practicable following the rule's effective date. Responsible entities remain responsible for complying with the applicable notice requirements, and a family should not be adversely affected by a responsible entity's failure to provide required notice in accordance with the rule.

The rule also builds in transition flexibility at the individual level. Under § 5.508(g), responsible entities may grant a family additional time to submit evidence, regardless of how many family members are included in that extension. HUD acknowledges that some individuals may face barriers in obtaining documents and is, therefore, providing additional flexibility in this final rule for responsible entities to grant an extension of up to 60 days. For families that include ineligible members, temporary deferral of termination of assistance remains available under §§ 5.516 and 5.518: the initial deferral period may not exceed six months and may be renewed in six-month increments up to an aggregate of 18 months, affording additional time to arrange alternative housing.

Finally, the evidence requirement is a one-time obligation. Under § 5.508(f)(5), a family must submit evidence for a given family member only once during continuously assisted occupancy under any Section 214 covered program, so the transition burden described by commenters is an upfront cost of adjustment rather than a recurring requirement at every recertification.

***F. Apply prospectively only / grandfather current participants***

Commenters requested that, should HUD proceed to a final rule, any new eligibility or verification requirements apply prospectively only—to future applicants and those on the waiting list—and not to current participants who relied in good faith on existing regulations, noting that a prospective-only approach is explicitly identified in HUD's own regulatory impact analysis as a regulatory alternative and the least harmful form of implementation, and adding that prospective application does not weaken the rule's deterrent effect on future applicants. Commenters warned that retroactive application would penalize participants who complied in good faith with existing regulations. A commenter asserted that HUD failed to meaningfully address the less-discriminatory alternative of grandfathering existing mixed-eligibility families and applying the rule only to new admissions.

A commenter recommended that verification focus on new applicants or members with unclear status and that documentation processes be streamlined to reduce administrative burden while preserving family unity and community stability.

Commenters requested that existing mixed-status households that have complied with current rules in good faith be grandfathered so they may remain together with prorated assistance, preserving assistance and avoiding destabilizing disruptions while any new requirements are phased in.

Commenters argued that the rule's requirement for existing tenants to produce citizenship or eligible-status documentation within 90 days (with any extension capped at 30 days) is not feasible, because vital-records offices, consulates, and other third-party record holders operate under processing backlogs that tenants cannot control; they asked that, if the rule is applied to current participants, verification instead occur at each family's next regular reexamination. Commenters added that there is no statutory requirement to apply new verification standards retroactively and that doing so is neither legally compelled nor equitable.

A commenter stated that prospective application reflects HUD's consistent historical practice over the 50-year history of the Housing Choice Voucher program—including when HUD imposed new restrictions on lifetime registered sex offenders, which were applied prospectively and grandfathered current participants—and that retroactively destabilizing compliant households is unprecedented in federal housing policy. A commenter further asked that HUD retain the age-62 exemption for current tenants who were age 62 or older as of the final rule's effective date, consistent with the 1987 statute and the reliance interests of elderly participants.

Commenters requested transition measures should HUD proceed, including phasing in requirements, setting the effective date no sooner than six months after publication, allowing adequate time for system updates and staff training with technical guidance and standardized compliance tools issued in advance of enforcement, continuing prorated assistance for up to one year while good-faith SAVE resolution efforts continue, and providing dedicated administrative or transition funding and administrative fee adjustments to cover implementation costs. One commenter recommended additional implementation safeguards: affirming that public housing agencies are housing providers and not immigration enforcement agencies, structuring secondary verification through a trained third party, allowing agencies to rely on credible documentation and third-party letters where the data SAVE accesses contains errors, and providing standardized plain-language consent and notice forms in multiple languages explaining what information may be shared, when, and under what legal authority.

**HUD Response:** HUD acknowledges these requests and notes that the RIA evaluated this alternative. The Regulatory Alternatives section analyzes grandfathering existing mixed families and applying the rule's provisions to new admissions only, under which mixed families would be replaced through existing end-of-participation trends over time. The RIA states that such a gradual option would fulfill the objectives of the rule while avoiding the transition costs borne by mixed families; given the low turnover rate, however, the RIA finds that grandfathering in

existing mixed families would be expected to delay the transfer of assistance to fully eligible families by more than a decade.

HUD acknowledges commenters' references to prior HUD rulemakings in which requirements were applied prospectively or existing participants were grandfathered. The Department has considered those examples but does not believe they require the same approach here. The appropriate implementation framework depends on several factors, including the relevant statutory and regulatory framework, the Department's objectives, and circumstances of the particular rulemaking.

HUD also considered the commenters' recommendation to retain the existing age exemption for individuals who are 62 or older as of the final rule's effective date. HUD has discussed its rationale for eliminating the exemption elsewhere in the preamble. As explained in the preamble, the 1987 Housing and Community Development Act amended Section 214 to apply certain status-verification requirements to individuals younger than 62 years of age, and HUD's existing regulations at 24 CFR 5.216(e) excluded participants age 62 or older as of January 31, 2010, from submitting certain information. This rule requires all applicants and tenants in Section 214 covered programs to submit evidence of U.S. citizenship or eligible immigration status regardless of age, consistent with the wording and purpose of Section 214. The extension of the verification requirement to individuals 62 years of age and older can be fulfilled using existing verification procedures, so retaining the exemption is neither compelled by Section 214 nor necessary to implement it in an orderly manner.

HUD recognizes that current participants may need time to obtain and submit required documentation and has considered these implementation concerns in establishing the final rule's effective date and compliance requirements.

HUD also considered commenters' concerns that some participants may experience difficulty obtaining documentation from vital-records offices, consulates, or other third parties within the prescribed period. For this reason, mixed-status families may have up to 150 days (90

days post effective date of the rule pursuant to § 5.508(f) plus a 60-day extension when applicable, pursuant to § 5.508(g)) to submit evidence of citizenship or eligible immigration status. HUD believes these provisions provide an appropriate period for affected participants to establish eligibility while implementing the final rule in an orderly way within a defined timeframe.

***G. Severability***

Responding to HUD's request for input on severability, commenters argued that a general severability clause is insufficient and that HUD should specify which provisions it considers independently operable and what responsible entities' obligations would be under each partial-stay scenario. Others argued that because the rule repeatedly contravenes Section 214 it is not viable and should be withdrawn in its entirety rather than severed, while other commenters took the view that the provisions would operate independently if a portion were stayed.

**HUD Response:** HUD appreciates the commenters' input and has taken it into consideration in drafting the severability clause for the final rule.

**VI. Findings and Certifications**

**Regulatory Review – Executive Orders 12866 and 13563**

Under Executive Order 12866 (Regulatory Planning and Review), a determination must be made whether a regulatory action is significant and, therefore, subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the order. Executive Order 13563 (Improving Regulations and Regulatory Review) directs executive agencies to analyze regulations that are "outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned." Executive Order 13563 also directs that, where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, agencies are to identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public.

This rule was determined to be a "significant regulatory action" as defined in section 3(f) of Executive Order 12866 (although not an economically significant regulatory action under section 3(f)(1) of the Executive Order). HUD has prepared a cost benefit analysis that addresses the costs and benefits of the rule. The cost analysis is part of the docket file for this rule.

**Executive Order 14192, Regulatory Costs**

Executive Order 14192, "Unleashing Prosperity Through Deregulation," was issued on January 31, 2025. Section 3(c) of Executive Order 14192 requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations. This rule is an immigration-related rule that is expressly exempt from the requirements of Executive Order 14192.

**Environmental Impact**

The rule does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, 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), this rule is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

**Regulatory Flexibility Act**

The Regulatory Flexibility Act (5 U.S.C. 601 et seq.) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The regulatory amendments to HUD's noncitizen requirements will have only a minimal impact on small housing project owners, small mortgagees, and small housing agencies. The majority of PHAs and project (housing) owners have few mixed families, if any. In 2024, the share of PHAs where 95 percent or more of their assisted households are non-mixed is 92 percent. The share is even higher for housing owners—

97 percent of owners have mixed families representing less than five percent of their assisted households. At this time, HUD is unable to provide an accurate estimate of small PBRA owners because we do not always know whether there is a corporate structure behind an individual owner.

Further, the amendments will require primary verification of citizenship and eligible immigration status through the same process: Inputting information into SAVE for an automated response. A responsible entity's collection and review of appropriate documentation for U.S. citizenship will be limited to instances of secondary verification. As explained elsewhere in this preamble and in the Regulatory Impact Analysis for this rule, the burden on existing tenants, families, future applicants, and responsible entities is estimated to be low, even where existing individuals have not submitted any documentation for verification purposes. Some of the requirements could also be satisfied using existing procedures. For example, the rule will require that the eligible immigration status of all noncitizen in Section 214 covered programs, regardless of age, be verified through responsible entities utilizing the DHS/USCIS SAVE program. The extension of this requirement to individuals 62 years of age and older can be fulfilled by utilizing existing verification procedures. Furthermore, although the rule will revise eligibility for prorated assistance, current methods will be used to calculate the prorated assistance provided to an eligible family.

Notwithstanding HUD's determination that this rule will not have a significant effect on a substantial number of small entities, HUD specifically invites comments regarding any less burdensome alternatives to this rule that will meet HUD's objectives as described in this preamble.

**Executive Order 13132, Federalism**

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the

agency meets the consultation and funding requirements of section 6 of the Executive order. This rule does not have federalism implications and does not impose substantial direct compliance costs on State and local governments nor preempt state law within the meaning of the Executive order.

**Unfunded Mandates Reform Act**

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531-1538) (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and on the private sector. This rule does not impose a Federal mandate on any State, local, or tribal government, or on the private sector, within the meaning of UMRA.

**Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) ("PRA"), an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The information collection requirements contained in this rule have been approved by OMB under the Paperwork Reduction Act and assigned OMB control number 2577-0295.

HUD's current regulations do not require submission of any documentation for citizenship verification purposes, unlike eligible immigration status where HUD's regulations require submission of documentation for eligible status verification. This rule will change HUD's regulations to require each family member in tenant families who have not yet submitted evidence of citizenship or eligible immigration status, and applicants who are declaring they have U.S. citizenship, to submit evidence in accordance with §§ 5.508 and 5.512 to responsible entities (mortgagors, project or housing owners, and PHAs). While this may impose some burden on existing tenants in HUD housing who have previously elected the "do not contend" provision, have submitted no documentation to date, have documentation proving their eligibility, and wish to continue to receive HUD assistance, the number of these existing tenants is low and the

related burdens are thus relatively low, for tenants, families, and responsible entities.[7] Nor does HUD anticipate this requirement to impose significant burden for existing tenants and future applicants under Section 8 and Public Housing covered programs who have previously declared or declare either citizenship or eligible immigration status.[8] PHAs already typically receive a birth certificate, passport, or some other identity verification document for deductions, program eligibility, and other purposes. Under this rule, responsible entities will also be required to collect and review citizenship evidence documents submitted by all applicants and tenants declaring to be U.S. citizens, and to review those documents to verify U.S. citizenship. Again, for Section 8 and Public Housing covered programs, responsible entities generally already receive and review this documentation for eligibility determinations and other purposes. As explained in the Regulatory Impact Analysis for this rulemaking, an estimated 99 percent of existing tenants who are U.S. citizens have been verified by PHAs (and owners). Finally, this rule will require that notification of Section 214 requirements, verification consent forms, notification of any failures to confirm primary verification, and notification of any denials or terminations of assistance be provided to applicants and tenants declaring to be U.S. citizens and noncitizen, as applicable.

The burden of the information collections in this rule is estimated as follows:

| **Tabulation of One-Time Reporting Burden for Existing Participants** | | | | | | |
|---|---|---|---|---|---|---|
| **Information collection** | **Number of respondents*** | **Frequency of response** | **Burden hour per response** | **Total burden hours** | **Hourly cost per response** | **Total Cost** |
| Section 8 Housing Choice Vouchers | 11,990 | 1 | 1.25 | 14,988 | $52 | $779,350 |
| Public Housing | 3,380 | 1 | 1.25 | 4,225 | $52 | $219,700 |
| Section 8 Project-Based Rental Assistance | 4,230 | 1 | 1.25 | 5,228 | $52 | $294,950 |
| Section 236 | 7 | 1 | 1.25 | 9 | $52 | $455 |
| **Totals** | **19,600** | **1** | **1.25** | **24,509** | $52 | **$1,274,455** |

[7] The Regulatory Impact Analysis for this rule estimates this number of affected tenants to be 730.
[8] The Regulatory Impact Analysis for this rule estimates that 1.05 percent of existing tenants with eligible status have not provided documentation for another purpose which could be used to verify this status.

| |
|---|
| * We assume that 1.05 percent of the average 714,000 (three-year average, 2022-2024) annual newly admitted tenants would previously not have provided proof of citizenship or eligible immigration status for another purpose. New admissions include all members of non-mixed families and selected members from mixed families (members with eligible immigration status and members with pending verification status).<br>1.05 percent was computed as the average of HUD administrative data on the share of members of non-mixed families with pending verification status and findings from Rothschild, Novey, and Hanmer (2025) on the share of U.S. citizens without documentary proof of citizenship. See RIA for detailed discussion. |
| Data is from HUD's Public & Indian Housing Information Center (PIC) and the Tenant Rental Assistance Certification System (TRACS). |

| **Tabulation of Annual Reporting Burden for New Admissions** | | | | | | |
|---|---|---|---|---|---|---|
| **Information collection** | **Number of respondents*** | **Frequency of response**** | **Burden hour per response** | **Total burden hours** | **Hourly cost per response** | **Total Cost** |
| Section 8 Housing Choice Vouchers | 4,245 | 1 | 1.25 | 5,306 | $52 | $275,925 |
| Public Housing | 1,230 | 1 | 1.25 | 1,538 | $52 | $79,950 |
| Section 8 Project-Based Rental Assistance | 2,000 | 1 | 1.25 | 2,500 | $52 | $130,000 |
| Section 236 | 15 | 1 | 1.25 | 19 | $52 | $975 |
| **Totals** | **7,500** | 1 | 1.25 | **9,363** | $52 | **$486,850** |
| * We assume that 1.05 percent of the average 714,000 (three-year average, 2022-2024) annual newly admitted tenants would previously not have had to provide proof of citizenship or eligible immigration status for another purpose. New admissions include all members of non-mixed families and selected members from mixed families (members with eligible immigration status and members with pending verification status).<br>1.05 percent was computed as the average of HUD administrative data on the share of members of non-mixed families with pending verification status and findings from Rothschild, Novey, and Hanmer (2025) on the share of U.S. citizens without documentary proof of citizenship. See RIA for detailed discussion. | | | | | | |
| ** New tenants that are citizens or have permanent eligible immigration status must submit this documentation only once. | | | | | | |
| Data is from HUD's Public & Indian Housing Information Center (PIC) and the Tenant Rental Assistance Certification System (TRACS). | | | | | | |

**List of Subjects in 24 CFR Part 5**

Administrative practice and procedure, Aged, Claims, Crime, Government contracts, Grant programs-housing and community development, Individuals with disabilities, Intergovernmental relations, Loan programs-housing and community development, Low and moderate income housing, Mortgage insurance, Penalties, Pets, Public housing, Rent subsidies, Reporting and recordkeeping requirements, Social security, Unemployment compensation, Wages.

Accordingly, for the reasons stated in the preamble, HUD is amending 24 CFR part 5, subparts B and E as follows:

**PART 5--GENERAL HUD PROGRAM REQUIREMENTS; WAIVERS**

1. The authority citation for part 5 continues to read as follows:

**Authority:** 12 U.S.C. 1701x; 42 U.S.C. 1437a, 1437c, 1437f, 1437n, 3535(d); 42 U.S.C. 2000bb *et seq.;* 34 U.S.C. 12471 *et seq.;* Sec. 327, Pub. L. 109-115, 119 Stat. 2396; E.O. 13279, 67 FR 77141, 3 CFR, 2002 Comp., p. 258; E.O. 13559, 75 FR 71319, 3 CFR, 2010 Comp., p. 273; E.O. 14015, 86 FR 10007, 3 CFR, 2021 Comp., p. 517.

**Subpart B—Disclosure and Verification of Social Security Numbers and Employer Identification Numbers; Procedures for Obtaining Income Information**

2. The authority citation for subpart B continues to read as follows:

**Authority:** 42 U.S.C. 3535(d), 3543, 3544, and 11901 *et seq*.

3. In § 5.216, revise paragraph (a) and the introductory text of paragraphs (e)(1)(i) and (ii) to read as follows:

**§ 5.216 Disclosure and verification of Social Security and Employer Identification Numbers.**

(a) *General.* The requirements of this section apply to applicants and participants as described in this section.

* * * * *

(e) * * *

(1) * * *

(i) Each participant whose initial determination of eligibility was begun before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**, must submit the information described in paragraph (e)(1)(ii) of this section, if the participant has:

* * * * *

(ii) Each participant subject to the disclosure requirements under paragraph (e)(1)(i) of this section must submit the following information to the processing entity when providing evidence of citizenship or eligible status under § 5.508(f)(2)(i) and (ii):

*  *  *  *  *

**Subpart E—Restrictions on Assistance to Noncitizens**

4. The authority citation for subpart E continues to read as follows:

**Authority:** 42 U.S.C. 1436a and 3535(d).

5. In § 5.500, revise paragraphs (a) and (b)(2) to read as follows:

**§ 5.500 Applicability.**

(a) *Covered programs/assistance.* This subpart E implements Section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a). Section 214 prohibits HUD from making financial assistance available to persons who are not in eligible status with respect to U.S. citizenship or immigration status. This subpart E is applicable to financial assistance provided under:

(1) Section 236 of the National Housing Act (12 U.S.C. 1715z-1) (tenants paying below market rent only) (the Section 236 program); and

(2) The United States Housing Act of 1937 (42 U.S.C. 1437 *et seq.*) which covers:

(i) HUD's Public Housing Programs;

(ii) The Section 8 Housing Assistance Programs; and

(iii) The Housing Development Grant Programs (with respect to low-income units only).

(b) *  *  *

(2) The provisions of this subpart E apply to Public Housing Agencies (PHAs) and project (or housing) owners. The term "responsible entity" is used in this subpart E to refer collectively to these entities and is further defined in § 5.504.

6. Amend paragraph § 5.504(b) by:

a. Adding the definition of "DHS" in alphabetical order;

b. Removing the definition of "Evidence of citizenship or eligible status";

c. Adding the definition of "Evidence of U.S. citizenship or eligible status";

d. Removing the definitions of "Housing covered programs" and "INS";

e. Adding the definition of "Preservation assistance" in alphabetical order;

f. Revising the definitions of "Responsible entity";

g. Removing the definition of "Tenant"; and

h. Adding the definition of "Tenant and tenant family".

The additions and revisions read as follows:

**§ 5.504 Definitions.**

* * * * *

(b) * * *

*DHS* means the Department of Homeland Security.

*Evidence of U.S. citizenship or eligible status* means the documents which must be submitted to evidence citizenship or eligible immigration status. (See § 5.508(b).)

* * * * *

*Preservation assistance* means types of assistance under Section 214, including prorated continued assistance and temporary deferral of termination of assistance, available to eligible families pursuant to the requirements in §§ 5.516 and 5.518.

* * * * *

*Responsible entity* means the person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status. The entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status under the various covered programs is as follows:

(1) For the Section 236 program, mortgagors or project (or housing) owners (if uninsured).

(2) For Public Housing, the Section 8 Rental Voucher, and the Section 8 Moderate Rehabilitation programs, the PHA administering the program under an ACC with HUD.

(3) For the Section 8 project-based rental assistance program, project (or housing) owners.

* * * * *

*Tenant* and *tenant family* mean an individual or a family renting or occupying an assisted dwelling unit.

7. In § 5.506, revise paragraph (b) to read as follows:

**§ 5.506 General provisions.**

* * * * *

(b) *Family eligibility for assistance.* (1) A family is not eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, as described in paragraph (a) of this section, or unless the family meets the conditions set forth in either paragraph (b)(2) or (3) of this section.

(2) Despite the ineligibility of one or more family members, a family that was receiving assistance under a Section 214 covered program on June 19, 1995, may be eligible for continued assistance as provided in §§ 5.516 and 5.518. If the family does not qualify for continued assistance, it may be eligible for temporary deferral of termination of assistance as provided in §§ 5.516 and 5.518.

(3) A family with at least one family member of any age who has U.S. citizenship or eligible immigration status is eligible for prorated assistance under § 5.520 pending final verification, including any procedures under §§ 5.512(d) and 5.514(e), on the eligibility of other family members.

* * * * *

8. Revise § 5.508 to read as follows:

**§ 5.508 Submission of evidence of U.S. citizenship or eligible immigration status.**

(a) *General.* Eligibility for assistance or continued assistance under a Section 214 covered program is contingent upon a family's submission, to the responsible entity, of the documents described in paragraphs (b), (c), and (d) of this section, as applicable, for each family member.

(b) *Evidence of U.S. citizenship or eligible immigration status.* Each family member, regardless of age, must submit the following evidence to the responsible entity:

(1) For U.S. citizens as defined in § 5.504(b), the evidence consists of:

(i) A signed declaration of U.S. citizenship as described in paragraph (c) of this section;

(ii) The complete and accurate Social Security Number assigned to the individual;

(iii) Acceptable documentation of U.S. citizenship as described in § 5.510(b), which must be submitted only if necessary for secondary verification as described in § 5.512; and

(iv) A signed verification consent form as described in paragraph (d) of this section.

(2) For all noncitizens, the evidence consists of:

(i) A signed declaration of eligible immigration status as described in paragraph (c) of this section;

(ii) Acceptable documentation of eligible immigration status as described in § 5.510(c); and

(iii) A signed verification consent form as described in paragraph (d) of this section.

(c) *Declaration.* (1) Each family member, regardless of age, must submit to the responsible entity a written declaration, signed under penalty of perjury, by which the family member declares the family member is a U.S. citizen as defined in § 5.504(b) or a noncitizen with eligible immigration status set forth in § 5.506(a)(2).

(i) For each adult, the declaration must be signed by the adult.

(ii) For each child as defined in § 5.504(b), the declaration must be signed by an adult residing in the assisted dwelling unit who is responsible for the child.

(2) The written declaration may be incorporated as part of the application for housing assistance or may constitute a separate document.

(d) *Verification consent form*—(1) *Who signs.* Each family member, regardless of age, must sign a verification consent form as follows:

(i) For each adult, the form must be signed by the adult.

(ii) For each child as defined in § 5.504(b), the form must be signed by an adult residing in the assisted dwelling unit who is responsible for the child.

(2) *Notice of use and release of evidence by responsible entity.* The verification consent form must provide that:

(i) Evidence of U.S. citizenship or eligible status will be reviewed by the responsible entity for verification purposes; and

(ii) Evidence of U.S. citizenship or eligible status may be released by the responsible entity, without responsibility for the further use or transmission of the evidence by the entity receiving it, to:

(A) HUD, as required by HUD; and

(B) DHS to verify the U.S. citizenship or immigration status of the individual, as required by HUD.

(3) *Notice of release of evidence of U.S. citizenship or eligible immigration status by HUD.* The verification consent form must also notify the individual of the possible release of evidence of U.S. citizenship or eligible immigration status by HUD. Evidence of U.S. citizenship or eligible immigration status must be released to DHS only for purposes of verifying the individual has U.S. citizenship or eligible immigration status for financial assistance and not for any other purpose. HUD is not responsible for the further use or transmission of the evidence or other information by DHS.

(4) *Compliance with the Privacy Act.* The verification consent form must comply with the requirements in § 5.212.

(e) *Notification of requirements of Section 214*—(1) *When notice is to be issued.* The responsible entity must give notification of the requirement to submit evidence of U.S. citizenship or eligible status as required by this section as follows:

(i) *Applicant's notice.* The responsible entity must give the notification to each applicant at the time of application for assistance.

(ii) *Notice to tenants.* The responsible entity must give the notification to each tenant who has not submitted evidence of U.S. citizenship or eligible status as of **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]** no later than **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

(2) *Form and content of notice.* The notice must:

(i) State that financial assistance is contingent upon the submission and verification, as appropriate, of evidence of U.S. citizenship or eligible status as required by this section;

(ii) Describe the type of evidence that must be submitted, and state the time period in which that evidence must be submitted (see paragraph (f) of this section concerning when evidence must be submitted) including the availability of an up to a 60-day extension of time for tenants to submit evidence of U.S. citizenship or eligible status in accordance with paragraph (g) of this section;

(iii) State that assistance will be denied or terminated, as appropriate, upon a final determination of ineligibility after primary and secondary verification, as applicable, and any informal hearing has concluded (see §§ 5.512(d) and 5.514(e)) or, if an informal hearing is not pursued, at a time to be specified in accordance with HUD requirements;

(iv) State that assistance may be prorated, pursuant to § 5.520, to a family with at least one family member of any age who has U.S. citizenship or eligible immigration status pending final verification, including any procedures under §§ 5.512(d) and 5.514(e), for other family members, or to families eligible for continued assistance pursuant to § 5.516 and § 5.518;

(v) Inform tenants how to obtain assistance under the preservation of families provisions of §§ 5.516 and 5.518; and

(vi) Notify the individual that the PHA or owner, as applicable, must inform DHS immediately whenever personnel determine that any member of a household is present in the U.S. in violation of the Immigration and Nationality Act. The PHA or owner may meet the reporting requirement by conforming with applicable *Federal Register* notices, including Interagency Notices, providing guidance for compliance with PRWORA section 404.

(f) *When evidence of U.S. citizenship or eligible status is required to be submitted.* The responsible entity must require evidence of U.S. citizenship or eligible immigration status required under § 5.508(b) to be submitted at the times specified in this paragraph (f), subject to any extension granted in accordance with paragraph (g) of this section.

(1) *Applicants.* For applicants, responsible entities must ensure that evidence of U.S. citizenship or eligible status required under § 5.508(b) is submitted not later than the date the responsible entity anticipates or has knowledge that verification of other aspects of eligibility for assistance will occur (see § 5.512(a)).

(2) *Tenants.* (i) Tenants in mixed families receiving financial assistance under a Section 214 covered program who have not submitted evidence of citizenship or eligible immigration status required under § 5.508(b) as of **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]** are required to submit such evidence within 90 days of **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**, in accordance with program requirements.

(ii) All other tenants receiving financial assistance under a Section 214 covered program who have not submitted evidence of U.S. citizenship or eligible immigration status required under § 5.508(b) as of **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]** are required to submit such evidence at the next annual or interim reexamination of income and household composition after **[INSERT DATE 30 DAYS**

**AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**, in accordance with program requirements.

(3) *New family members of assisted units.* For any new family member that comes to reside in an assisted unit, the required evidence under § 5.508(b) must be submitted not later than the date the responsible entity performs verification of other aspects of eligibility for assistance (see § 5.512(a)).

(4) *Changing participation in a HUD program.* Whenever a family applies for admission to a Section 214 covered program, evidence of U.S. citizenship or eligible status is required to be submitted in accordance with the requirements of this subpart E unless the family already has submitted the evidence to the responsible entity for a Section 214 covered program.

(5) *One-time evidence requirement for continuous occupancy and changes in status during occupancy.* For each family member, the family is required to submit evidence of U.S. citizenship or eligible status required under paragraph (b) of this section only one time in accordance with paragraph (f) of this section during continuously assisted occupancy under any Section 214 covered program. If a family member's citizenship or eligible immigration status changes during occupancy, the family is required to immediately notify and submit evidence of the new citizenship or eligible immigration status to the responsible entity.

(g) *Extensions of time to submit evidence of U.S. citizenship or eligible status*—(1) *When extension must be granted.* The responsible entity must extend the time, provided in paragraph (f) of this section and § 5.512(d)(2)(i), to submit evidence of U.S. citizenship or eligible immigration status required under § 5.508(b) if the family member:

(i) Submits the required declaration and verification consent forms described in paragraphs (c) and (d) of this section certifying that any person for whom required evidence has not been submitted is a U.S. citizen or a noncitizen with eligible immigration status; and

(ii) Certifies that the evidence needed to support a claim of U.S. citizenship or eligible immigration status is temporarily unavailable or additional time is needed to obtain and submit the evidence, and prompt and diligent efforts will be undertaken to obtain the evidence.

(2) *Sixty-day extension period.* Any extension of time, if granted, may not exceed 60 days and must not run concurrently with any other timelines for submitting evidence of U.S. citizenship or eligible immigration status as stated in subpart E. The additional time provided should be sufficient to allow any family member the time to obtain the evidence needed. The responsible entity's determination of the length of the extension needed must be based on the circumstances of the individual case. The total extension of time granted by the responsible entity to a family must be limited to 60 days.

(3) *Grant or denial of extension to be in writing.* The responsible entity must issue its decision to grant or deny an extension to the family by written notice. If the extension is granted, the notice must specify the extension period granted (which is limited to a total of 60 days). If the extension is denied, the notice must explain the reasons for denial of the extension.

(h) *Failure to submit evidence of U.S. citizenship or eligible immigration status or to verify eligible immigration status.* If the family fails to submit required evidence of U.S. citizenship or eligible status within the time period specified in the notice, or any extension granted in accordance with paragraph (g) of this section, or if the evidence is timely submitted but fails to verify citizenship or eligible immigration status, the responsible entity must proceed to deny or terminate assistance or provide continued assistance or temporary deferral of termination of assistance, as appropriate, in accordance with the provisions of §§ 5.514, 5.516, and 5.518.

9. Revise § 5.510 to read as follows:

**§ 5.510 Documents of U.S. citizenship and eligible immigration status.**

(a) *General.* A responsible entity must request and review original or certified copies of documents of U.S. citizenship and eligible immigration status in accordance with this subpart.

The responsible entity must retain photocopies of the documents for its own records and return the original or certified copies of documents to the family.

(b) *Acceptable documentation of U.S. citizenship*. Acceptable documentation of U.S. citizenship is required only for purposes of secondary verification under § 5.512(d) and includes the original or a certified copy of:

(1) A U.S. birth certificate;

(2) A naturalization certificate;

(3) A Consular Report of Birth Abroad (FS-240);

(4) A valid unexpired U.S. passport;

(5) A certificate of citizenship; or

(6) Other acceptable documentation, as specified in HUD guidance.

(c) *Acceptable documentation of eligible immigration status*. Acceptable documentation of eligible immigration status is the original or a certified copy of a document designated by DHS as acceptable evidence of immigration status in one of the categories set forth in Section 214 (see 42 U.S.C. 1436a(a)) for the specific immigration status claimed by the individual.

10. Revise § 5.512 to read as follows:

**§ 5.512 Verification of U.S. citizenship and eligible immigration status.**

(a) *General.* Except as described in paragraph (b) of this section and § 5.514, no individual or family applying for assistance may receive such assistance prior to the verification of the eligibility of at least the individual or one family member. Verification of eligibility consistent with § 5.514 occurs when the individual or family members have submitted evidence to the responsible entity in accordance with § 5.508, and this section as applicable.

(b) *PHA election to provide assistance before verification.* A PHA that is a responsible entity under this subpart E may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member.

(c) *Primary verification of U.S. citizenship or eligible immigration status.*(1) *Verification system.* Primary verification of the U.S. citizenship or eligible immigration status of the person is conducted by the responsible entity through Systematic Alien Verification for Entitlements (SAVE), a DHS-administered program for the verification of U.S. citizenship and immigration status, insofar as law and DHS technology permits. Primary verification in SAVE confirms U.S. citizenship or immigration status using biographic information (first name, last name, and date of birth) and a government-issued numeric identifier permitted by SAVE.

(2) *Failure of primary verification to confirm U.S. citizenship or eligible immigration status.* If SAVE is not initially able to confirm U.S. citizenship or eligible immigration status for the person, then the responsible entity must conduct secondary verification in accordance with paragraph (d) of this section.

(d) *Secondary verification*. (1) The responsible entity must provide notice to the person of the opportunity to provide additional information, and acceptable documentation as described in § 5.510, for purposes of secondary verification. The responsible entity's notice must:

(i) Be in writing;

(ii) Notify the person of the results of primary verification and describe the need for secondary verification;

(iii) Identify whether, and describe the reasons why, acceptable documentation under § 5.510(b) and/or additional information is needed for secondary verification, including information on applicable dates under paragraphs (d)(2) and (3) of this section; and

(iv) Notify the person of the ability to pursue at any point in the verification process a records correction with any agency that issued or maintains records and original or certified copies of documents relevant to verification.

(2) For secondary verification of U.S. citizenship:

(i) The person must provide acceptable documentation as described in § 5.510(b) and any information described as necessary for secondary verification in the notice provided by the

responsible entity to the individual pursuant to paragraph (d)(1) of this section within 30 days of the secondary verification notice;

(ii) The responsible entity must then review any acceptable documentation and additional information provided by the person; and

(iii) If applicable as specified in HUD guidance, the responsible entity must request additional verification through the SAVE program within 30 days of notification of the results of primary verification.

(3) For secondary verification of eligible immigration status, the responsible entity must request additional verification through the SAVE program within 30 days of notification of the results of primary verification.

(e) *Failure to confirm U.S. citizenship or immigration status.* If primary and secondary verification do not confirm U.S. citizenship or eligible immigration status, or confirm immigration status that is ineligible for assistance under a Section 214 covered program, the responsible entity must issue to the family the notice described in § 5.514(d), which includes notification of the ability to pursue a records correction with any agency that issued or maintains records and original or certified copies of documents relevant to verification, and the right to request an informal hearing with the responsible entity in accordance with § 5.514(e) (see § 5.514(d)(4) and (5)).

(f) *Exemption from liability for DHS verification.* The responsible entity is not liable for any action, delay, or failure of DHS in conducting DHS verification procedures.

11. Amend § 5.514 by:

a. Removing “INS” wherever it appears and adding “DHS” in its place;

b. Revising paragraphs (a), (b), (c)(1), and (d);

c. Removing paragraph (e);

d. Redesignating paragraphs (f) through (i) as paragraphs (e) through (h) respectively;

e. Revising newly redesignated paragraph (e)(1);

e. In newly redesignated paragraph (e)(2)(ii), removing the reference to “paragraph (f)(3)(i)” and adding, in its place, “paragraph (e)(2)(i)”;

f. Revising newly redesignated paragraphs (e)(2)(iii) introductory text, (e)(2)(iii)(C), and (g); and

g. In the newly redesignated paragraph (h)(1) introductory text, removing the phrase “Under Housing covered programs” and adding, in its place, the phrase “Under the Section 236 program”.

The additions and revisions read as follows:

**§ 5.514 Delay, denial, reduction, or termination of assistance.**

(a) *General.* Assistance to a family may not be delayed, denied, reduced, or terminated because of the immigration status or pending citizenship verification of a family member except as provided in this section.

(b) *Restrictions on delay, denial, reduction, or termination of assistance*--(1) *Restrictions on delay, denial, reduction, or termination of assistance for applicants and tenants.* Assistance to an applicant or tenant may not be delayed, denied, reduced, or terminated on the basis of lack of U.S. citizenship or ineligible immigration status of a family member, if:

(i) The applicable verification process under § 5.512, including secondary verification under § 5.512(d), has been timely instituted but has not yet completed;

(ii) The family member for whom required evidence has not been submitted has moved from the assisted dwelling unit;

(iii) The family member who is determined not to be a U.S. citizen or in an eligible immigration status following the SAVE verification has moved from the assisted dwelling unit;

(iv) Assistance for a mixed family is prorated in accordance with § 5.520 pending final verification, including any procedures under §§ 5.512(d) and 5.514(e), on the eligibility of family members;

(v) Assistance is continued in accordance with §§ 5.516 and 5.518; or

(vi) Deferral of termination of assistance is granted in accordance with §§ 5.516 and 5.518.

(2) *Restrictions on delay, denial, reduction, or termination of assistance pending fair hearing for tenants.* In addition to the factors listed in paragraph (b)(1) of this section, assistance to a tenant cannot be delayed, denied, reduced, or terminated until the completion of the informal hearing process described in paragraph (e) of this section.

(c) *Events causing denial or termination of assistance*. (1) *General.* The responsible entity must deny assistance to an applicant and must terminate a tenant's assistance in accordance with the procedures of this section, upon the occurrence of any of the following events:

(i) Evidence of U.S. citizenship or eligible status as required by § 5.508 is not submitted by the date specified in § 5.508(f) or by the expiration of any extension granted in accordance with § 5.508(g); or

(ii) Evidence of U.S. citizenship or eligible status as required by § 5.508 or § 5.512 is timely submitted, but primary and secondary verification do not verify U.S. citizenship or eligible immigration status of a family member; and

(A) The family does not pursue informal hearing rights as provided in this section; or

(B) The family does pursue informal hearing rights, but the final hearing decision is decided against the family member.

(iii) The responsible entity determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the public or assisted housing unit of the family member. Such termination must be for a period of not less than 24 months. This provision does not apply to families eligible for continued assistance pursuant to §§ 5.516 and 5.518.

*  *  *  *  *

(d) *Notice of denial or termination.* The notice of denial or termination of assistance must advise the family:

(1) That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance;

(2) That the family may be eligible for proration of assistance as provided under § 5.520 pending final verification, including any procedures under §§ 5.512(d) and 5.514(e), on the eligibility of other family members;

(3) In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families in §§ 5.516 and 5.518;

(4) That the family has the ability to pursue at any point in the verification process a records correction with any agency that issued or maintains records and original or certified copies of documents relevant to verification;

(5) That the family has a right to request an informal hearing with the responsible entity as provided in § 5.514(e); and

(6) For applicants, the notice shall advise that assistance may not be delayed until the conclusion of procedures under § 5.512, but assistance may be delayed during the pendency of the informal hearing process as provided in § 5.514(e).

(e) * * *

(1) *When request for hearing is to be made.* For U.S. citizenship verification and eligible immigration status verification by responsible entities, the family may request that the responsible entity provide a hearing. This request must be made within 30 days of receipt of the notice described in paragraph (d) of this section.

(2) * * *

(iii) *Families under the Section 236 program and applicants for assistance under all covered programs.* For all families under the Section 236 program (applicants as well as tenants

already receiving assistance) and for applicants for assistance under all covered programs, the procedures for the informal hearing before the responsible entity are as follows:

*  *  *  *  *

(C) *Presentation of evidence and arguments in support of eligible status.* The family must be provided the opportunity to present evidence and arguments in support of U.S. citizenship or eligible immigration status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings;

*  *  *  *  *

(g) *Retention of documents.* The responsible entity must retain, for a minimum of 5 years, the following documents that may have been submitted to the responsible entity by the family, or provided to the responsible entity as part of the verification process, including primary verification under § 5.512(d), or the informal hearing process under this section:

(1) The application for financial assistance;

(2) The form completed by the family for income reexamination;

(3) Photocopies of any original or certified copies of documents (front and back), including original or certified copies of DHS and citizenship documents, and corrected records and documents;

(4) The signed verification consent form;

(5) The DHS or responsible entity verification results;

(6) The request for an informal hearing, if any; and

(7) The final informal hearing decision.

*  *  *  *  *

12. Revise § 5.516 to read as follows:

**§ 5.516 Availability of preservation assistance to tenant families.**

(a) *Assistance available for tenant families*—(1) *General*. Preservation assistance may be available to tenant families, in accordance with this section and following completion of the

verification and hearing procedures provided in §§ 5.512 and 5.514. There are two types of preservation assistance:

(i) Continued assistance (see § 5.518(a)); and

(ii) Temporary deferral of termination of assistance (see § 5.518(b)).

(2) *Availability of assistance*—(i) *For the Section 236 program*. One of the two types of assistance described in paragraph (a)(1) of this section may be available to tenant families assisted under the Section 236 program or a 1965 HUD Act covered program, depending upon the family's eligibility for such assistance. Continued assistance must be provided to a family that meets the conditions for eligibility for continued assistance.

(ii) *For Section 8 or Public Housing covered programs:* One of the two types of assistance described in paragraph (a)(1) of this section may be available to tenant families assisted under a Section 8 or Public Housing covered program.

(b) *Assistance available to other families in occupancy.* Temporary deferral of termination of assistance may be available to families receiving assistance under a Section 214 covered program on June 19, 1995, and who have no members with eligible immigration status, as set forth in paragraphs (b)(1) and (2) of this section.

(1) *For the Section 236 program*. Temporary deferral of termination of assistance is available to families assisted under the Section 236 program.

(2) *For Section 8 or Public Housing covered programs*. The responsible entity may make temporary deferral of termination of assistance available to families assisted under a Section 8 or Public Housing covered program.

(c) *Section 8 covered programs: Discretion afforded to provide certain family preservation assistance*—(1) *Project owners.* With respect to assistance under a Section 8 Act covered program administered by a project owner, HUD has the discretion to determine under what circumstances families are to be provided one of the two statutory forms of assistance for preservation of the family (continued assistance or temporary deferral of assistance). HUD is

exercising its discretion by specifying the standards in this section under which a project owner must provide one of these two types of assistance to a family.

(2) *PHAs.* The PHA, rather than HUD, has the discretion to determine the circumstances under which a family will be offered one of the two statutory forms of assistance (continued assistance, see § 5.518(a), or temporary deferral of termination of assistance, see § 5.518(b)). The PHA must establish its own policy and criteria to follow in making its decision. In establishing the criteria for granting continued assistance or temporary deferral of termination of assistance, the PHA must incorporate the statutory criteria, which are set forth in § 5.518(a) and (b).

13. Amend § 5.518 by:

a. Revising the section heading and paragraphs (a), (b)(1), and (b)(2) introductory text;

b. Removing paragraph (b)(2)(iii);

c. Revising paragraphs (b)(3), (b)(5)(i)(A), and (b)(5)(ii)(A);

d. Adding paragraph (b)(6); and

e. Removing paragraph (c) and redesignating paragraph (d) as paragraph (c).

The revisions and addition read as follows:

**§ 5.518 Types of preservation assistance available to tenant families.**

(a) *Continued assistance*. (1) A mixed family may receive prorated continued housing assistance if all the following conditions are met (a mixed family assisted under the Section 236 program must be provided prorated continued assistance if the family meets the following conditions):

(i) The family was receiving assistance under a Section 214 covered program on June 19, 1995;

(ii) The family's head of household or spouse is a U.S. citizen, or has eligible immigration status as described in § 5.506; and

(iii) The only individuals in the family without eligible status are the head of household or spouse of the head of household, any parents of the head of household, or parents of the spouse, or any children of the head of household or spouse. An individual without eligible status means a person that is neither a U.S. citizen nor a person that has eligible immigration status.

(2) *Proration of continued assistance.* Continued assistance for eligible families under paragraph (a) of this section must be prorated as described in § 5.520.

(b) *Temporary deferral of termination of assistance*—(1) *Eligibility for this type of assistance.* If a mixed family does not qualify for continued assistance, the family may be eligible for temporary deferral of termination of assistance, if necessary, to permit the family additional time for the orderly transition of those family members with ineligible status, and any other family members involved, to other affordable housing.

(2) *Section 236 program. Conditions for granting temporary deferral of termination of assistance.* The responsible entity must grant a temporary deferral of termination of assistance to a family if the family is assisted under the Section 236 program and one of the following conditions is met:

* * * * *

(3) *Time limit on deferral period.* If temporary deferral of termination of assistance is granted, the initial deferral period may not exceed six months. The initial period may be renewed for additional periods of six months, but the aggregate deferral period for deferrals may not exceed a period of eighteen months. These time periods do not apply to a family that includes an individual admitted as a refugee under section 207 of the Immigration and Nationality Act or an individual seeking asylum under section 208 of that Act.

* * * * *

(5) * * *

(i) * * *

(A) For the Section 236 program: Make a determination that one of the two conditions specified in paragraphs (b)(2)(i) and (ii) of this section continues to be met (note: affordable housing will be determined to be available if the vacancy rate is five percent or greater), and the owner's knowledge and the tenant's evidence indicate that other affordable housing is available; or

* * * * *

(ii) * * *

(A) Notify the tenant family in writing, at least 60 days in advance of the expiration of the deferral period, that termination will be deferred again (provided that the granting of another deferral will not result in aggregate deferral periods that exceed the maximum deferral period), because a determination was made that other affordable housing is not available. This time period does not apply to a family that includes a refugee under section 207 of the Immigration and Nationality Act or an individual seeking asylum under section 208 of that Act; *or*

* * * * *

(6) *Proration of assistance during temporary deferral of termination of assistance*. Assistance for eligible families under paragraph (b) of this section must be prorated as described in § 5.520.

* * * * *

14. Amend § 5.520 as follows:

a. Revise paragraphs (a) and (b); and

b. In paragraph (c)(1)(ii), remove the reference to "section 5.613(a)" and add, in its place, a reference to "§ 5.628".

The revisions read as follows:

**§ 5.520 Proration of assistance.**

(a) *Applicability.* This section applies to a mixed family with at least one family member who has U.S. citizenship, or eligible immigration status pending final verification, including any

procedures under §§ 5.512(d) and 5.514(e) for other family members, or to a mixed family eligible for preservation assistance under §§ 5.516 and 5.518.

*  *  *  *  *

(b) *Method of prorating assistance for the Section 236 program.*— (1) *Proration under Section 236 program without the benefit of additional assistance.* If the household participates in the Section 236 program without the benefit of any additional assistance, the household's rent must be increased above the rent the household would otherwise pay by an amount equal to the difference between the market rate rent for the unit and the rent the household would otherwise pay multiplied by a fraction the denominator of which is the number of people in the household and the numerator of which is the number of ineligible persons in the household.

(2) *Proration under Section 236 program with the benefit of additional assistance.* If the household participates in the Section 236 program with the benefit of additional assistance under the Section 8 programs, the household's rent must be increased above the rent the household would otherwise pay by:

(i) An amount equal to the difference between the market rate rent for the unit and the basic rent for the unit multiplied by a fraction, the denominator of which is the number of people in the household, and the numerator of which is the number of ineligible persons in the household, plus;

(ii) An amount equal to the housing assistance payment (the unit's gross rent minus the family's total tenant payment, see 24 CFR 5.628) the household would otherwise be entitled to multiplied by a fraction, the denominator of which is the number of people in the household and the numerator of which is the number of ineligible persons in the household.

*  *  *  *  *

15. Revise § 5.522 to read as follows:

**§ 5.522 Prohibition of assistance to noncitizen students.**

(a) *General*. The provisions of §§ 5.516 and 5.518 permitting continued assistance or temporary deferral of termination of assistance for certain families do not apply to any person who is determined to be a noncitizen student as in Section 214(c)(2)(A) (42 U.S.C. 1436a(c)(2)(A)).

(b) *Family of noncitizen students.* (1) The prohibition on providing assistance to a noncitizen student as described in paragraph (a) of this section extends to the noncitizen spouse of the noncitizen student and minor children accompanying the student or following to join the student.

(2) The prohibition on providing assistance to a noncitizen student does not extend to the citizen spouse of the noncitizen student and the children of the citizen spouse and noncitizen student who may be eligible for continued assistance or temporary deferral of termination of assistance.

**Scott Turner,**

*Secretary*.

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