

GAHRA Update on Federal Funding Freeze Attempt

February 3, 2025

Thrash-Haliburton Government Affairs has been in contact throughout the “President Trump Freeze Process” with Beth Brown, VP of Legislation and Regulation, on behalf of GAHRA.

We informed her of the Judge’s pause of the freeze on the day the Judge paused it.

Our team also reached out to the Georgia Congressional delegation about the freeze and asking them to help us get it “unfrozen” on behalf of GAHRA, our members, and our tenants we serve.

It isn’t over yet, as the Judge’s pause technically ended today, Feb 3. However, a judge in the nation’s capital kept a temporary block on a Trump administration plan for a freeze on federal funding Monday (today) after some nonprofit groups said they’re still struggling to get promised grants and loans.

U.S. District Judge Loren L. AliKhan extended an order she issued last week that paused a sweeping plan to freeze potentially trillions in federal spending. While the memo outlining it has since been rescinded, the Republican administration has said some kind of funding freeze is still planned as part of his blitz of executive orders.

A second judge in Rhode Island has also blocked any federal spending pause in a separate lawsuit filed by nearly two dozen Democratic states.

The Trump administration rescinded on January 29 a memo issued by the Office of Management and Budget (OMB) calling for a funding freeze on thousands of federal programs, pending review by the administration. The OMB memo, released January 27, followed a controversial Executive Order (EO) from President Trump requiring all federal agencies to “temporarily pause all activities related to...disbursement of all Federal financial assistance, and other relevant agency activities.”

The withdrawal of the OMB memo was thanks to the quick and enormous pressure advocates and congressional champions put on the administration and to the work of organizations and the attorneys general in 22 states and D.C., who swiftly brought legal challenges to OMB’s sweeping directive and demanded a temporary restraining order (TRO) be put in place. If allowed to proceed, the memo would have allowed the Trump administration to freeze funding that had already been approved by Congress for thousands of federal programs, including all HUD’s vital affordable housing, homelessness, and community development programs. The White House later clarified that “direct assistance” programs, and specifically Section 8 rental assistance, would not be impacted; however, funding for other HUD programs, like the HOME Investment Partnership Program, which in some cases is used for rental assistance, would have been frozen. Other programs that provide funding for housing construction, affordable housing

preservation, and the needs of people experiencing homelessness would have also been frozen.

In response to the lawsuits, a federal judge issued a temporary pause on implementation of OMB's memo on January 28; this pause was slated to last until February 3, pending further review of the directive. With the memo rescinded, lawyers with the U.S. Department of Justice are arguing that the pending lawsuits against the memo should be considered irrelevant. However, a statement from White House Press Secretary Karoline Leavitt declaring the White House was not issuing "a rescission of the federal funding freeze" but rather a "rescission of the OMB memo" created further confusion. A U.S. District Court Judge ordered the plaintiffs in the lawsuit to file a revised request that would expand the temporary restraining order to include any attempt to freeze federal funding, rather than focusing on the now-rescinded OMB memo specifically.

The Trump administration is expected to continue pursuing policies that would withhold congressionally approved funding for various programs and argues that while the OMB memo was rescinded, freezing funds related to diversity, equity, and inclusion initiatives, foreign aid, immigration assistance, and clean energy projects will continue.

A federal judge on Monday, Feb 3, said the Trump administration appears to be blocking access to federal grants despite orders she and another judge issued last week to temporarily stop the Trump administration's funding freeze.

During a hearing on whether another order is needed, U.S. District Judge Loren AliKhan pointed to an organization's claim that the group has been unable to draw down funds since the White House Office of Management and Budget directed federal agencies to pause funding.

While the organization was able to log on to the funding portal after AliKhan temporarily blocked the funding freeze Wednesday, funds were still not available as of Sunday, the organization told the court in a filing.

As a result, the organization laid off one of its five employees, has reduced services – and will close altogether if funding is not restored, the group said.

Their statement was among those submitted by a coalition of advocacy groups challenging the Office of Management and Budget's directive to federal agencies to pause grants and loans to make sure they comply with President Donald Trump's priorities.

That freeze is separately being challenged by 22 mostly Democratic-led states and the District of Columbia which argue the policy could have a devastating effect on their budgets.

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