

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
STATEMENT OF REGULATORY PRIORITIES
FOR FISCAL YEAR 2026

Introduction

The Regulatory Plan for the Department of Housing and Urban Development (HUD) for Fiscal Year (FY) 2026 highlights two significant regulations that HUD seeks to publish during the upcoming fiscal year. HUD is committed to promoting healthy, safe, and affordable housing

Under the leadership of Secretary Scott Turner, HUD is dedicated to setting forth initiatives to reduce burdens on the public, improve program integrity, and provide clearer information for program participants across all HUD programs. HUD is intending to finalize 22 regulations to reduce burden, and propose another 15.

The rules highlighted in HUD's regulatory plan for FY 2026 reflect HUD's efforts to continue its work in building strong and sustainable communities and addressing the housing needs of all Americans.

Updating the Definition of Chassis to Promote Production of Manufactured Homes

HUD's Manufactured Home Construction and Safety Standards (MHCSS) regulations are currently interpreted to require that every transportable section of a manufactured home be built and transported on a permanent chassis. This proposed rule would revise HUD's regulations to clarify that this requirement applies only to the lowest floor of the manufactured home. This proposed rule would amend the definition of "manufactured home" in the MHCSS, Model Manufactured Home Installation Standards (MMHIS), and Manufactured Home Installation Program (MHIP) to provide that a transportable section of a manufactured home serving as part

of an upper floor of a manufactured home would not need to be transported or built on a permanent chassis.

Aggregate Costs and Benefits

Executive Order 12866, as amended, requires the agency to provide its best estimate of the combined aggregate costs and benefits of all regulations included in the agency's Regulatory Plan that will be pursued in fiscal year 2026. HUD expects that the proposed rule would reduce the costs associated with vertical density for manufactured homes, leading to economic gains from lower costs for two-story manufactured homes and growth in the manufactured housing market.

Statement of Need

The permanent chassis requirement adds thousands of dollars to the cost of a multistory manufactured home for producers and consumers and creates engineering and architectural challenges that complicate the design and production of multistory manufactured homes. Consequently, the permanent chassis requirement for every transportable section of a multistory manufactured home hinders HUD's execution on the Act's purposes of protecting the affordability of manufactured housing, facilitating the availability of affordable manufactured homes, and encouraging innovative and cost-effective construction techniques. Multistory manufactured homes could be built more cost-effectively and in a more innovative fashion if the permanent chassis requirement did not apply to upper floors.

Alternatives

HUD considered whether retaining this requirement, in one form or another, might serve an important purpose. Ultimately, HUD determined that the requirement provides no practical,

safety, aesthetic, or design benefit for upper floors of multistory manufactured homes. Therefore, no alternative short of eliminating the requirement would meet HUD's goals.

Risks

This rule imposes no risks or additional costs on HUD.

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

Section 214 of the Housing and Community Development Act of 1980, as amended ("Section 214"), prohibits the Secretary of HUD from making financial assistance available to persons other than United States citizens or certain categories of eligible aliens in HUD's public and specified assisted housing programs. This proposed rule would revise HUD's Section 214 implementing 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 proposed rule would also make prorated assistance a temporary condition pending verification of eligible status of family members, where permitted by statute, as opposed to under HUD's current regulations where prorated assistance could continue indefinitely.

Aggregate Costs and Benefits

Consistent with the current Administration's regulatory reform efforts, these proposed regulatory amendments are consistent with the principles of Executive Order 13828 and 14218 and the current Administration's regulatory reform efforts. The policy changes will bring HUD's regulations into greater alignment with the requirements of Section 214 and make the administrative process for verification more uniform for citizens and eligible noncitizens, as well as ensure that only U.S. citizens or nationals and eligible noncitizens under Section 214 and other relevant legal authorities have access to HUD financial assistance.

The proposed rule would impose administrative costs on responsible entities and HUD. Most of the costs of the rule would be upfront costs of adjustment, borne by the households adversely affected.

Statement of Need

The proposed rule would ensure better implementation to statutory authorities and align with President Trump's Executive Order to ensure that federal public benefits do not go to unqualified aliens.

Alternatives

In developing this proposed rule, HUD considered alternatives. Alternatives such as grandfathering in existing mixed families or continuing to provide housing assistance to specific subsets of mixed families would decrease administrative and transition costs. However, these alternatives would lead to decreased compliance with Section 214 and this Administration's immigration priorities.

Risks

Verification costs for tenants and applicants may increase the burden of complying with this rule. However, HUD believes based on research and data that methods of verification offset this burden and that verification costs are a necessary cost to ensure compliance with the law.