



May 1, 2026

Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th Street, SW, Room 10276
Washington, DC 20410-0500

Re: FR-6520-P-01, RIN 2501-AE15, Establishing Flexibility for Implementation of Work Requirements and Term Limits

To Whom It May Concern:

The National Council of State Housing Agencies (NCSHA) appreciates this opportunity to provide comments on the U.S. Department of Housing and Urban Development's ("HUD") Notice of Proposed Rulemaking, "Establishing Flexibility for Implementation of Work Requirements and Term Limits." We commend HUD for prioritizing promoting self-sufficiency and making the effort to increase residents' independence and agency. However, we urge HUD to reconsider the proposed rule and amend it in light of the concerns expressed below regarding the low probability of success without effective supportive services, the lack of funding for such services, increased administrative burdens on program administrators and housing providers, and the potential negative impacts on HUD-assisted housing residents, including higher incidence of evictions, homelessness, housing cost burdens, and family instability.

NCSHA represents the nation's state housing finance agencies (HFAs).¹ HFAs deliver roughly \$50 billion in financing to make affordable homeownership and rental housing opportunities a reality for hundreds of thousands of families and individuals every year. In addition, many HFAs administer HUD's project-based rental assistance contracts, Housing Choice Vouchers, the HOME Investment Partnerships program, and several other federal and state housing programs. Some also administer public housing programs. They monitor HUD-subsidized properties' compliance with federal housing requirements and work with many of the beneficiaries and other stakeholders likely to be affected by the proposed rule.

HUD proposes to amend its regulations to provide public housing agencies (PHAs) and certain multifamily housing owners (owners) with the option to implement work requirements of up to 40 hours

¹ NCSHA is a nonprofit, nonpartisan organization. None of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

per week and term limits for non-elderly, non-disabled adults between ages 18 and 61 residing in public housing or receiving assistance through Housing Choice Vouchers (HCV), Project-Based Vouchers (PBV), or Project-Based Rental Assistance (PBRA). Currently, such flexibility is primarily associated with agencies participating in the Moving to Work program.

The proposed rule's voluntary implementation approach is essential. Making the establishment of such requirements optional is consistent with the Housing Act of 1937's mandate to give PHAs maximum flexibility in program administration. We commend HUD for structuring this as a permissive rule rather than a mandate and urge HUD to keep it optional, particularly in light of HUD's FY 2027 budget request asking Congress to allow it to impose mandatory work requirements and term limits. Some of our members would appreciate the authority to implement work requirements and term limits.

Although the rule is permissive rather than mandatory, it creates practical pressure for entities to adopt the allowed policies. In many states, the implementation of work requirements or time limits could lead to evictions of vulnerable households without improving residents' outcomes because of structural barriers to achieving self-sufficiency, including access to jobs, counseling, affordable housing, transportation, childcare, healthcare, and other support services necessary for many assisted families to achieve self-sufficiency.

An increase in work requirements could lead to an increase in income for assisted households, which in turn could reduce the amount of housing assistance they require. This has the potential to allow PHAs to issue more HCVs in their service areas, leading to more low-income households receiving assistance with high housing costs. However, most people in HUD-assisted housing who can work, do work.

Many working people still need rental assistance to help them afford housing because housing costs far exceed wages. This assistance is a vital support and contributes to positive employment, health, education, and other positive life outcomes. Terminating these at-risk households' assistance could lead to harmful consequences and make work requirements and term limits a Pyrrhic victory as families cycle back onto housing waiting lists and fail to achieve self-sufficiency.

Work requirements and term limits can be effective – but only when paired with robust supportive services and case management. Work requirements are successful when residents are provided with the tools necessary to achieve self-sufficiency, including workforce development services, education and training opportunities, and individualized case management. These supports are critical to addressing the underlying barriers many households face, including childcare needs, transportation challenges, and health-related issues. Absent these supports, such requirements risk destabilizing vulnerable households rather than promoting long-term self-sufficiency.

Of course, providing such supportive services would increase costs and require a source of funding. The proposed rule provides no additional federal funding for these services. HCV administrative fees and PBRA project funds are explicitly prohibited from being used for this purpose. Non-Moving to Work (MTW) PHAs and Section 8 owners therefore have no mechanism to redirect existing program

resources toward supportive services, in sharp contrast to MTW agencies, which can draw on fully fungible federal funding pools to finance the services that make work requirements effective.

We are particularly concerned that strict work requirements and time limits could lead to increased housing instability if households are unable to meet requirements due to circumstances beyond their control. In addition, the weekly work hours required and short two-year time limit both make such instability – assistance termination and evictions – more likely than if those thresholds were relaxed significantly.

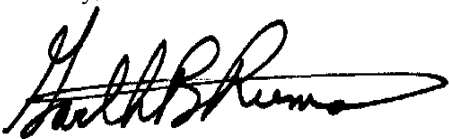
Establishing effective work requirement and term limit systems will create a substantial administrative burden and should only be adopted by PHAs with the resources and expertise to be successful. Many PHAs will need new systems for coordinating workforce services, fostering job skills, providing transportation to places where jobs are available, monitoring participants' progress, enforcement, and processing exemptions and appeals. Allowing any PHA to establish work requirements or term limits without such services or the capacity to create them is unadvisable and inappropriate. Work requirements and term limits will also require residents to handle the applications and documentation necessary to obtain exemptions and conduct appeals, which could be an undue burden and lead to unfair and unfortunate evictions when mishandled.

Work requirements and term limits could also exacerbate already-low landlord participation rates. The additional administrative burden and potential increased turnover of residents work requirements and term limits would cause may discourage owners from participating in HUD programs. Differing requirements could create a patchwork of rules that would make administering HUD's housing programs more complex and difficult for housing providers operating in multiple jurisdictions.

While we appreciate HUD's intent to promote self-sufficiency and provide local flexibility, NCSHA hopes HUD will revise this rule to more effectively balance the implementation of work requirements and term limits with additional resources and flexibility to promote the integration of supportive services as a core component of these policies and respond to the additional concerns expressed above.

Thank you for the opportunity to comment. Please contact me with any questions or for further information regarding these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Garth Rieman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Garth Rieman
Director of Housing Advocacy and Strategic Initiatives