

Judge temporarily blocks part of Trump's funding cancellation

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A federal judge ruled Wednesday to delay the expiration of \$56 million for housing support services, partially setting back a broader White House effort to cancel congressionally directed funding.

[The ruling](#) comes after the National Urban League and nine other [nonprofit organizations requested](#) a temporary restraining order against the Trump administration's [decision to rescind](#) congressionally approved spending on a Department of Housing and Urban Development program that funds housing counseling to homebuyers, renters and people facing foreclosure or homelessness.

The housing program awards were part of \$810 million in government funding the White House Office of Management and Budget announced plans to cancel, [riling lawmakers](#) from both parties. Those appropriated funds are set to expire at the end of Wednesday.

U.S. District Judge Jia M. Cobb, an appointee of former President Joe Biden, ruled to prevent the funds from expiring — giving both plaintiffs and defendants more time to argue whether a temporary restraining order is warranted.

“The Court is hesitant to determine whether the government is required to obligate nearly \$60 million without the government itself being fully heard on the issue,” Cobb wrote in her decision. “However, the Court is likewise hesitant to allow September 30 to pass such that Plaintiffs would lose out on significant amounts of funding due to allegedly unconstitutional actions.”

The decision, similar to another Wednesday ruling regarding funding cuts for foreign aid, shows that the courts are willing to intervene in the complicated funding law battles waged by the Trump administration.

The White House's "pocket rescission" tactic of announcing funding cancellations without congressional authorization has drawn criticism from GOP lawmakers including Appropriations Chair [Susan Collins](#). The Maine Republican [told reporters Wednesday](#) she wants Congress's watchdog, the Government Accountability Office, to file a lawsuit against the entire \$810 million cancellation.

It's not clear that approach would prove successful for releasing the funds. [The Supreme Court allowed](#) the administration to withhold [\\$4.9 billion in foreign aid](#) using the same method in a preliminary ruling last year.

The plaintiffs in the lawsuit over funding for housing services asserted this week that the White House is attempting to defund the housing counseling grant to punish its previous recipients over past political speech — including mentions of diversity, equity and inclusion as well as criticisms of President Donald Trump's immigration policies — which the administration opposes.

OMB did not immediately return a request for comment.

In the White House's [Friday announcement](#) listing its desired cancellations, the administration stated that the housing counseling program wasted taxpayer dollars by directing money to nonprofit “grantees with DEI-centric discriminatory agendas” — referring to diversity, equity and inclusion efforts which the Trump administration has sought to curb in the public and private sectors.

The announcement described one of the plaintiffs, Housing Action Illinois, as “a radical left NGO that believes ‘housing is a human right’ and is committed to ‘advancing equitable community development and affirmatively furthering racial justice.’” (Adequate housing is recognized as a human right [under international law](#).) It also noted that the National Urban League [has called for](#) Congress to halt funding for Immigration and Customs Enforcement.

But the nonprofits argued their commentary on issues like equality, racial justice and immigration enforcement wasn't related to their federally supported housing counseling services, so the White House rescissions violated their freedom of speech.

“The Administration has clearly stated it is denying the grantees access to public funds, via the rescission of the funds Congress appropriated for the housing counseling program, because it disfavors their protected speech and perceived ideologies,” the plaintiffs stated in their initial complaint. “This is clearly unlawful viewpoint discrimination and it is in violation of the First Amendment.”

The nonprofits also argued that HUD purposefully delayed housing counseling funds up to the Sept. 30 expiration date. The funding cycle started on Oct. 1, 2025, but applications didn't open until March. The department told applicants it expected to distribute funds in early August but hasn't made the grant money available.

A HUD spokesperson said in a statement before the ruling: “Under his authority under the Impoundment Control Act, the President's rescission is carrying out his constitutional responsibility that the laws are faithfully executed. HUD is entrusted to ensure that taxpayer funds be deployed in alignment with the President's policy agenda.”

Tianna Mays — legal director at the Democracy Defenders Fund, which is helping represent the plaintiffs — celebrated Cobb's decision as “a welcome step toward reining in the administration's reckless actions that threaten the housing security and stability of thousands of individuals and families across the country.”

“We will continue to fight this in court,” Mays said in a statement.