

119TH CONGRESS
2D SESSION

H. R. 8489

To require the Secretary of Housing and Urban Development to conduct an improper payment assessment for project-based and tenant-based assistance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 2026

Mr. MEUSER introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To require the Secretary of Housing and Urban Development to conduct an improper payment assessment for project-based and tenant-based assistance, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “HUD Payment Integ-
5 rity and Accountability Act of 2026”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) DEPARTMENT.—The term “Department”
2 means the Department of Housing and Urban De-
3 velopment.

4 (2) PROJECT-BASED ASSISTANCE; TENANT-
5 BASED ASSISTANCE.—The terms “project-based as-
6 sistance” and “tenant-based assistance” have the
7 meanings given those terms in section 8(f) of the
8 United States Housing Act of 1937 (42 U.S.C.
9 1437f(f)).

10 (3) PUBLIC HOUSING AGENCY.—The term
11 “public housing agency” has the meaning given the
12 term in section 3(b) of the United States Housing
13 Act of 1937 (42 U.S.C. 1437a(b)).

14 (4) SECRETARY.—The term “Secretary” means
15 the Secretary of Housing and Urban Development.

16 **SEC. 3. MANDATORY COMPLIANCE DATE.**

17 (a) IN GENERAL.—Not later than December 1, 2027,
18 the Secretary shall include, as part of the agency financial
19 report for fiscal year 2027 required under OMB Circular
20 No. A–36, a compliant improper payment assessment for
21 project-based assistance and tenant-based assistance.

22 (b) DETAILED PLAN AND TIMELINE.—The Secretary
23 shall develop and execute a detailed plan and timeline for
24 testing and reporting improper payment estimates in the
25 Office of Public and Indian Housing’s Tenant-Based

1 Rental Assistance program and the Office of Multifamily
2 Housing's Project-Based Rental Assistance program, in
3 full compliance with Federal law and applicable guidance
4 issued by the Office of Management and Budget.

5 **SEC. 4. IDENTIFYING FRAUD IN HOUSING AND RENTAL AS-**
6 **SISTANCE.**

7 (a) PUBLIC AND SECTION 8 HOUSING.—

8 (1) IN GENERAL.—Not later than 60 days after
9 making a determination described in paragraph (2),
10 the Secretary shall notify the Inspector General of
11 the Department of the determination.

12 (2) DETERMINATION.—A determination de-
13 scribed in this paragraph is a determination that—

14 (A) the aggregate amount of housing as-
15 sistance payments or grants paid under the
16 United States Housing Act of 1937 (42 U.S.C.
17 1437 et seq.) for a ZIP Code and county or
18 county equivalent increased by more than 100
19 percent in a single year; or

20 (B) the number of owners, landlords, or
21 public housing agencies receiving Federal rental
22 assistance or operating subsidies increased in a
23 ZIP Code and county or county equivalent by
24 more than 100 percent in a single year.

1 (b) COMMUNITY DEVELOPMENT AND DISASTER RE-
2 COVERY GRANTS.—

3 (1) IN GENERAL.—Not later than 60 days after
4 making a determination described in paragraph (2),
5 the Secretary shall notify the Inspector General of
6 the Department of the determination.

7 (2) DETERMINATION.—A determination de-
8 scribed in this paragraph is a determination that—

9 (A) the aggregate amount paid under the
10 Community Development Block Grant program
11 under title I of the Housing and Community
12 Development Act of 1974 (42 U.S.C. 3601 et
13 seq.) or funds paid under the Community De-
14 velopment Block Grant program for Disaster
15 Recovery for a specific project or within a ZIP
16 Code and county equivalent increased by more
17 than 100 percent in a single year; or

18 (B) the number of sub-recipients or con-
19 tractors receiving payments under the programs
20 described in subparagraph (A) in a specific ju-
21 risdiction increased by more than 100 percent
22 in a single year.

23 (c) AUDIT BY THE INSPECTOR GENERAL OF HUD.—
24 Not later than 2 years after the date of enactment of this

1 Act, and annually thereafter, the Inspector General of the
2 Department shall—

3 (1) identify, based on the results of notifica-
4 tions received under subsection (a)(1) or (b)(1), any
5 program or geographic area in which the aggregate
6 amount paid or the number of participating housing
7 providers increased by not less than 400 percent
8 during the preceding 5-year period; and

9 (2) audit any such program, agency, or recipi-
10 ent to ensure compliance with improper payment
11 testing requirements and to detect potential fraudu-
12 lent activity.

13 **SEC. 5. INSPECTOR GENERAL OVERSIGHT.**

14 (a) PRE-VALIDATION.—Not later than 180 days be-
15 fore the deadline described in section 3(a), the Inspector
16 General of the Department shall certify whether or not—

17 (1) the methodology chosen by the Secretary for
18 the assessment described in that section is statis-
19 tically sound and addresses all material findings
20 from financial statement audits and program audits
21 conducted by the Inspector General related to im-
22 proper payment testing, eligibility tier verification,
23 and validation of payments to property owners; and

24 (2) the Secretary made a serious effort to con-
25 duct a data draw and receive supporting documents

1 needed to conduct the assessment described in sec-
2 tion 3(a).

3 (b) FRAUD RISK ASSESSMENT.—

4 (1) IN GENERAL.—The Inspector General of
5 the Department shall conduct, and submit to the
6 Committee on Banking, Housing, and Urban Affairs
7 and the Committee on Homeland Security and Gov-
8 ernmental Affairs of the Senate a report on, a sepa-
9 rate fraud risk assessment specifically for the ap-
10 proximately \$50,000,000,000 expended annually for
11 rental assistance, including tenant-based ad project-
12 based assistance under section 8(o) of the United
13 States Housing Act of 1937 (42 U.S.C. 1437f(o)),
14 to identify high-risk nodes in the payment chain.

15 (2) DATA DRAW AND ANALYTICS.—In con-
16 ducting the assessment under paragraph (1), the In-
17 spector General shall of the Department shall—

18 (A) execute a comprehensive data draw
19 from all relevant departmental and third-party
20 contract administrator systems to reconcile pay-
21 ments at the eligibility tier;

22 (B) identify specific barriers preventing the
23 Department from reestablishing computer
24 matching agreements with the “Do Not Pay”

1 database of the Department of the Treasury;
2 and
3 (C) include in the report an analysis on
4 how system enhancement funding provided in
5 previous fiscal years has been utilized to specifi-
6 cally address noncompliance with subchapter IV
7 of chapter 33 of title 31, United States Code,
8 and other provisions of law related to improper
9 payments.

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