

Scott Ward
President, Potomac Mortgage Advisors
NMLS 4065
46169 Westlake Drive Suite 100 POTOMAC FALLS, VA 20165

Office: 703-406-8200
Mobile: 571-283-4424
scott.ward@potomacmortgageadvisors.com
View My Website

Massive Government Reorganization Plan Includes Housing Changes

The Trump Administration formally rolled out a plan on Tuesday to **massively reorganize the federal government**. The proposal is largely the work of Office of Management and Budget Director and acting head of the Consumer Financial Protection Bureau (CFPB) Mick Mulvaney, but the Administration admits the blueprint for the reorganization was produced by the Heritage Foundation. The 132-page document touches nearly every part of the executive branch.

Prior to the release, media attention was focused on the rumored plans, confirmed by the document release, to **combine the cabinet level Departments of Labor and Education** into a single unit called the Department of Education and the Workforce. The explanation for this change is the need to meet needs of American students and workers from education and skills development to workplace protection to retirement security.

The release of the plan highlights several changes which will affect housing and housing finance. First, and high on the list which does seem to be in an order of priority, is to move the Department of Agriculture's (USDA's) rural housing loan guarantee and rental assistance programs to the Department of Housing and Urban Development (HUD). The government's justifications for this proposal include that the **agencies operate similar programs to support rental housing rehab and development,** to insure mortgages for home purchase and refinance, and subsidize rents for low-income tenants. The two sets of programs however, are not identical. There are differences in eligibility, assistance levels, delivery and oversight and other features. With the programs housed in separate agencies with different missions, establishing a unified housing policy has been difficult.

The USDA programs are also called outdated. "In fact, due in large part to the sheer size of its programs, HUD serves more households in USDA-eligible areas than USDA does." The plan states that moving USDA's single-family and multifamily loan guarantees and rental assistance programs to HUD will mitigate these issues.

According to the New York Times, a proposal to shift veterans' housing programs to HUD as well **was considered and rejected.**

Another rumor had the $3 billion Community Development Block Grant program removed from HUD and transferred to the Department of Commerce. Mulvaney had zeroed out funding for the program earlier this

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.32%	-0.02	0.00
15YR Fixed	6.87%	-0.02	0.00
30YR FHA	6.95%	-0.01	0.00
30YR Jumbo	7.42%	-0.03	0.00
7/6 SOFR	6.70%	-0.13	0.00
30YR VA	6.97%	**0.00**	0.00

Rates as of: 11/24

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.59	+0.04
10 YR Treasury	4.9267	-0.0195
30 YR Treasury	5.3214	+0.0130

Pricing as of: 11/24 5:59PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Nov 11	199.8	-2.35%
Building Permits	Oct	1.3M	-7.5%
Housing Starts	Oct	1.31M	+7.21%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Oct	63	-4.69%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Nov	25	-13.79%

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/potomacmortgageadvisors

year but the Senate restored the funds. We could not locate any reference to this in the final proposal, but the document is, strangely, not searchable.

The plan also takes up the fate of Fannie Mae and Freddie Mac (the GSEs) in a discussion of **reforming the federal role in mortgage finance**. The government's support of the housing market is called a complex system of federal subsidies and programs intended to make mortgage financing accessible to a wide range of homebuyers but also a system that is challenged by the operation of the GSEs which have been in government conservatorship since 2008.

It proposes to transition the GSEs into **fully private entities and ensure that there will be competition** to the roles they play in order to decrease moral hazard and risk to the taxpayer. The GSEs and any other competitive entities would have access to an explicit federal guarantee for mortgage-backed securities that they issue, a guarantee that is only exposed in "limited and exigent circumstances." The guarantee would be on-budget and fully paid-for. The proposal says this would increase the government's transparency and accountability and minimize the risk of taxpayer-funded bailouts but still provide support for homeowners.

This proposal is similar to some that have come out of the appropriate committees in both the House and the Senate, so perhaps the administration's endorsement will move it along.

Other changes are proposed for HUD's rental assistance programs, but they are longer on rhetoric than specifics.

Washington **insiders have declared the plan "dead-on-arrival."** Many in Congress will be reluctant to give up their oversight of departments and agencies that are being downsized or eliminated, and special interest groups, including those that represent federal employees and industries that will be affected by the changes are expected to mount vigorous opposition to many parts of the plan.

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/potomacmortgageadvisors