



U.S. Department of Justice

Civil Division
Federal Programs Branch

1100 L St. NW
Washington, DC 20005

Steven M. Chasin
Trial Attorney

Office: (202) 305-0747
Cell: (202) 532-5771
Steven.m.chasin2@usdoj.gov

September 2, 2026

Via Electronic Mail

Mr. Paul Berks – Office of the Illinois Attorney General (Paul.Berks@ilag.gov)
Mr. Jarrell Mitchell – Office of the Attorney General of California (Jarrell.Mitchell@doj.ca.gov)
Ms. Eliza Simon - Office of the Attorney General of the District of Columbia
(eliza.simon@dc.gov)

RE: *State of Illinois, et al. v. U.S. Department of Housing and Urban Development, et al., No. 3:26-cv-02262-VC (N.D. Cal.)*

Dear Counsel,

I write this letter on behalf of Defendant U.S. Department of Housing and Urban Development (HUD), and the other named defendants in this case. Specifically, I provide this letter in conjunction with the attached Joint Stipulation for Dismissal Without Prejudice, which explicitly references this letter.

Background

As you know, Plaintiffs filed the operative First Amended Complaint in this action on June 24, 2026 (ECF No. 81) alleging Defendants made several unlawful policy changes concerning the Fair Housing Assistance Program (“FHAP”) administered by Defendant HUD, which were announced via HUD’s fiscal year (“FY”) 2025 FHAP Guidance Package. The alleged policy changes include: (1) no longer reimbursing state and local agencies that receive funding to enforce the Fair Housing Act (“FHAP agencies”) for complaints that include both discrimination claims under the federal Fair Housing Act (“FHA”) and claims covered only by the agency’s state or local law; (2) threatening to revoke substantial equivalence certifications for FHAP agencies whose fair housing laws recognize additional protected classes beyond those expressly enumerated in the FHA; and (3) imposing new funding conditions related to various executive orders, included as Attachment F to the FY2025 FHAP Guidance Package.

FY2025 FHAP Guidance Package

On July 22, 2026, HUD issued its FY2026 FHAP Guidance Package. *See* Defs.’ Mot. Dismiss First Am. Compl., at 6, ECF No. 88; Decl. of Kevin R. Cooke (“Cooke Declaration”) Ex. A, at 1, ECF No. 88-2. HUD confirmed that “the FY2025 FHAP Guidance only applied to FY2025 and does not have any application to FY2026 or any year thereafter.” Cooke Decl. Ex. A, at 1 n.1; Cooke Decl. ¶¶ 4-5. Further, the FY2026 FHAP Guidance Package does not include the provisions from the FY2025 FHAP Guidance Package challenged as unlawful in Plaintiffs’ First Amended Complaint. Cooke Decl. ¶¶ 7, 13, 14; Cooke Decl. Ex. A.

Accordingly, HUD will not impose, implement or enforce the challenged FY2025 FHAP Guidance Package provisions against Plaintiffs during FY2026.

Further, as you know, the Cooke Declaration represented that “HUD has no plans” to include in future guidance issued to FHAP agencies any of the FY2025 FHAP Guidance Package provisions challenged as unlawful in Plaintiffs’ First Amended Complaint. Cooke Decl. ¶¶ 7, 13, 14.

Certain Further Review of Dual Basis Filings

The First Amended Complaint alleges that “HUD rejected some complaints submitted by Plaintiff agencies for payment” on the basis that they involved both a trait protected by the Fair Housing Act (FHA) and a trait not protected by the FHA. *See* First Am. Compl. ¶ 66. Defendants dispute this. *See* Cooke Decl. ¶¶ 9-10, 12.

Nevertheless, because Plaintiffs represent that there would be a small and limited number of such cases (approximately 10-15 cases) and because of HUD’s desire to ensure it has not inadvertently denied any complaint processing payment on that basis, HUD has represented that it will look into the matter as follows: if within 30 days of the filing of the attached Joint Stipulation for Dismissal Without Prejudice, Plaintiffs submit documentation for those cases they believe were denied certain payment(s) on the basis described above, HUD will review that documentation and either (a) confirm that payment was denied on a different basis and communicate the denial basis to the particular Plaintiff; or (b) accept the case for payment.

Sincerely,

/s/ Steven M. Chasin
Steven M. Chasin
Trial Attorney

Attachment: Joint Stipulation for Dismissal Without Prejudice

cc:

Gretchen.Helfrich@ilag.gov

Cara.Hendrickson@ilag.gov
Katherine.Pannella@ilag.gov
Mary.Rosenberg@ilag.gov

Heidi.Joya@doj.ca.gov

Nicole.Hill@dc.gov

kristopher.brambila@coag.gov

ian.liston@delaware.gov

Hayleigh.Crawford@azag.gov
Syreeta.Tyrell@azag.gov
ACL@azag.gov

Laura.Thurston@ct.gov

david.d.day@hawaii.gov
kaliko.d.fernandes@hawaii.gov

Kate.thompson@maine.gov

ydagne@oag.maryland.gov

Farng-Yi.Foo@law.njoag.gov
Michelle.Kostyack@law.njoag.gov

nita.klunder@mass.gov

GiovanattiN@michigan.gov

kduffy@riag.ri.gov

Julio.thompson@vermont.gov

Daniel.jeon@atg.wa.gov

mkeenan@oag.state.va.us