




THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 27, 2025

M-25-13

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Matthew J. Vaeth, Acting Director, Office of Management and Budget 

SUBJECT: Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs

The American people elected Donald J. Trump to be President of the United States and gave him a mandate to increase the impact of every federal taxpayer dollar. In Fiscal Year 2024, of the nearly \$10 trillion that the Federal Government spent, more than \$3 trillion was Federal financial assistance, such as grants and loans. Career and political appointees in the Executive Branch have a duty to align Federal spending and action with the will of the American people as expressed through Presidential priorities. Financial assistance should be dedicated to advancing Administration priorities, focusing taxpayer dollars to advance a stronger and safer America, eliminating the financial burden of inflation for citizens, unleashing American energy and manufacturing, ending “wokeness” and the weaponization of government, promoting efficiency in government, and Making America Healthy Again. The use of Federal resources to advance Marxist equity, transgenderism, and green new deal social engineering policies is a waste of taxpayer dollars that does not improve the day-to-day lives of those we serve.

This memorandum requires Federal agencies to identify and review all Federal financial assistance¹ programs and supporting activities consistent with the President’s policies and requirements.² For example, during the initial days of his Administration, President Donald J. Trump issued a series of executive orders to protect the American people and safeguard valuable taxpayer resources, including *Protecting the American People Against Invasion* (Jan. 20, 2025), *Reevaluating and Realigning United States Foreign Aid* (Jan. 20, 2025), *Putting America First in International Environmental Agreements* (Jan. 20, 2025), *Unleashing American Energy* (Jan. 20, 2025), *Ending Radical and Wasteful Government DEI Programs and Preferencing* (Jan. 20,

¹ 2 CFR 200.1 defines Federal financial assistance to mean “[a]ssistance that recipients or subrecipients receive or administer” in various forms, but this term does not include assistance provided directly to individuals. For the purposes of this memorandum, Federal financial assistance includes: (i) all forms of assistance listed in paragraphs (1) and (2) of the definition of this term at 2 CFR 200.1; and (ii) assistance received or administered by recipients or subrecipients of any type except for assistance received directly by individuals.

² Nothing in this memo should be construed to impact Medicare or Social Security benefits.

2025), *Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government* (Jan. 20, 2025), and *Enforcing the Hyde Amendment* (Jan. 24, 2025). These executive orders ensure that Federal funds are used to support hardworking American families.

To implement these orders, each agency must complete a comprehensive analysis of all of their Federal financial assistance programs to identify programs, projects, and activities that may be implicated by any of the President's executive orders. In the interim, to the extent permissible under applicable law, Federal agencies **must temporarily pause** all activities related to obligation or disbursement of all Federal financial assistance, and other relevant agency activities that may be implicated by the executive orders, including, but not limited to, financial assistance for foreign aid, nongovernmental organizations, DEI, woke gender ideology, and the green new deal.

This temporary pause will provide the Administration time to review agency programs and determine the best uses of the funding for those programs consistent with the law and the President's priorities. The temporary pause will become effective on January 28, 2025, at 5:00 PM. Even before completing their comprehensive analysis, Federal agencies must immediately identify any legally mandated actions or deadlines for assistance programs arising while the pause remains in effect. Federal agencies must report this information to OMB along with an analysis of the requirement. OMB also directs Federal agencies to pause all activities associated with open NOFOs, such as conducting merit review panels.

No later than February 10, 2025, agencies shall submit to OMB detailed information on any programs, projects or activities subject to this pause. Each agency must pause: (i) issuance of new awards; (ii) disbursement of Federal funds under all open awards; and (iii) other relevant agency actions that may be implicated by the executive orders, to the extent permissible by law, until OMB has reviewed and provided guidance to your agency with respect to the information submitted.

OMB may grant exceptions allowing Federal agencies to issue new awards or take other actions on a case-by-case basis. To the extent required by law, Federal agencies may continue taking certain administrative actions, such as closeout of Federal awards (2 CFR 200.344), or recording obligations expressly required by law.

Additionally, agencies must, for each Federal financial assistance program: (i) assign responsibility and oversight to a senior political appointee to ensure Federal financial assistance conforms to Administration priorities; (ii) review currently pending Federal financial assistance announcements to ensure Administration priorities are addressed, and, subject to program statutory authority, modify unpublished Federal financial assistance announcements, withdraw any announcements already published, and, to the extent permissible by law, cancel awards already awarded that are in conflict with Administration priorities, and; (iii) ensure adequate oversight of Federal financial assistance programs and initiate investigations when warranted to identify underperforming recipients, and address identified issues up to and including cancellation of awards.

Department of the Treasury

Most of the programs listed here represent tax credits, not grant or loan programs, and some (the negative numbers) brought in money in 2024. The budget office has not provided guidance on how the pause would affect these credits, which include green energy programs implemented during the Biden administration that President Trump has said he wants to cut. Also included: a line item for interest on the federal debt, which the U.S. pays to its creditors.

Accelerated depreciation of machinery and equipment (normal tax method) -\$3.7 bil.	Advanced nuclear power production credit \$150 mil.	Bio-Diesel and small agri-biodiesel producer tax credits \$20 mil.	Community Development Financial Institutions Bond Guarantee Program \$498 mil.
Accelerated depreciation on rental housing (normal tax method) \$2.1 bil.	Alcohol fuel credits \$20 mil.	Build America Bonds None reported	Community Development Financial Institutions Fund Equitable Recovery Program (CDFI ERP) None reported
Additional deduction for the blind \$50 mil.	Allow 20-percent deduction to certain pass-through income \$61.9 bil.	Capital gains (except agriculture, timber, iron ore, and coal) \$114.1 bil.	Community Development Financial Institutions Program \$357 mil.
Additional deduction for the elderly \$8.1 bil.	Allowance of deduction for certain energy efficient commercial building property \$520 mil.	Capital gains exclusion of small corporation stock \$1.9 bil.	Community Development Financial Institutions Rapid Response Program (CDFI RRP) None reported
Adoption credit and exclusion \$900 mil.	Amortize all geological and geophysical expenditures over 2 years \$150 mil.	Capital gains exclusion on home sales \$58.2 bil.	Coronavirus Capital Projects Fund \$9 mil.
Advanced energy property credit \$1.2 bil.	Assistance for adopted foster children \$940 mil.	Capital gains treatment of certain agriculture income \$1.5 bil.	Coronavirus Economic Relief for Transportation Services Act None reported
Advanced manufacturing investment credit \$3.6 bil.	Bank Enterprise Award Program \$40 mil.	Capital gains treatment of certain timber income \$150 mil.	Coronavirus Relief Fund None reported
Advanced manufacturing production credit \$790 mil.		Capital gains treatment of royalties on coal \$50 mil.	Coronavirus Relief: Pandemic Relief for Aviation Workers None reported
		Capital Magnet Fund \$321 mil.	Coronavirus State and Local Fiscal Recovery Funds \$5 mil.
		Carbon oxide sequestration credit \$400 mil.	
		Carryover basis of capital gains on gifts \$4.1 bil.	
		Child credit \$63.7 bil.	
		Clean fuel production credit None reported	
		Clean hydrogen production credit \$540 mil.	

Credit for certain employer contributions to Social Security \$1.6 bil.	Credit for residential energy efficient property \$9.3 bil.	Deduction for endangered species recovery expenditures \$40 mil.	Discharge of mortgage indebtedness \$140 mil.
Credit for child and dependent care expenses \$3.7 bil.	Credit to holders of Gulf and Midwest Tax Credit Bonds . \$80 mil.	Deduction for foreign-derived intangible income derived from trade or business within the United States \$15.7 bil.	Discharge of student loan indebtedness \$110 mil.
Credit for construction of new energy efficient homes \$200 mil.	Deductibility of casualty losses None reported	Deferral of capital gains from like-kind exchanges \$4.2 bil.	Distributions from retirement plans for premiums for health and long-term care insurance \$490 mil.
Credit for disabled access expenditures \$10 mil.	Deductibility of charitable contributions to educational institutions \$6.3 bil.	Deferral of gain on sale of farm refiners \$20 mil.	Earned-income tax credit \$3.0 bil.
Credit for employee health insurance expenses of small business \$10 mil.	Deductibility of charitable contributions to health institutions \$9.1 bil.	Deferral of income from installment sales \$1.7 bil.	Emergency Capital Investment Program None reported
Credit for energy efficiency improvements to existing homes \$1.6 bil.	Deductibility of charitable contributions, other than education and health \$47.9 bil.	Deferral of interest on U.S. savings bonds \$810 mil.	Emergency Rental Assistance Program None reported
Credit for family and sick leave taken by self-employed individuals None reported	Deductibility of medical expenses \$12.9 bil.	Deferral of tax on shipping companies \$10 mil.	Employer provided child care exclusion \$840 mil.
Credit for holders of zone academy bonds \$80 mil.	Deductibility of mortgage interest on owner-occupied homes \$30.8 bil.	Defined benefit employer plans \$68.9 bil.	Employer-provided child care credit \$20 mil.
Credit for holding clean renewable energy bonds \$70 mil.	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes \$6.6 bil.	Defined contribution employer plans \$136.3 bil.	Employer-provided paid family and medical leave credit \$90 mil.
Credit for increasing research activities \$30.0 bil.	Deductibility of State and local property tax on owner-occupied homes \$6.4 bil.	Depreciation of buildings other than rental housing (normal tax method) -\$190.0 mil.	Empowerment zones \$90 mil.
Credit for low-income housing investments \$13.6 bil.	Deductibility of student-loan interest \$940 mil.	Disaster employee retention credit \$40 mil.	Energy investment credit \$27.5 bil.
		Discharge of business indebtedness \$10 mil.	Energy production credit \$7.6 bil.
			Enhanced oil recovery credit None reported
			Equitable Sharing \$178 mil.

Exception from passive loss limitation for working interests in oil and gas properties \$10 mil.	Exclusion of employee meals and lodging (other than military) \$7.0 bil.	Exclusion of interest on public purpose State and local bonds \$24.1 bil.	Exclusion of railroad retirement (Social Security equivalent) benefits \$280 mil.
Exception from passive loss rules for \$25,000 of rental loss \$5.5 bil.	Exclusion of employer contributions for medical insurance premiums and medical care \$231.0 bil.	Exclusion of interest on rental housing bonds \$1.3 bil.	Exclusion of scholarship and fellowship income (normal tax method) \$4.7 bil.
Exceptions from imputed interest rules \$70 mil.	Exclusion of employer-provided educational assistance \$1.8 bil.	Exclusion of interest on savings bonds redeemed to finance educational expenses \$40 mil.	Exclusion of special benefits for disabled coal miners \$20 mil.
Excess of percentage over cost depletion, coal \$90 mil.	Exclusion of GI bill benefits \$1.5 bil.	Exclusion of interest on small issue bonds \$60 mil.	Exclusion of utility conservation subsidies \$50 mil.
Excess of percentage over cost depletion, nonfuel minerals \$330 mil.	Exclusion of income earned abroad by U.S. citizens \$5.6 bil.	Exclusion of interest on student-loan bonds \$130 mil.	Exclusion of veterans death benefits and disability compensation \$13.1 bil.
Excess of percentage over cost depletion, oil and gas \$1.6 bil.	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities \$140 mil.	Exclusion of interest on veterans housing bonds \$60 mil.	Exclusion of veterans pensions \$210 mil.
Exchange of Federal Tax Information With State Tax Agencies None reported	Exclusion of interest on bonds for private nonprofit educational facilities \$1.9 bil.	Exclusion of interest spread of financial institutions \$9.0 bil.	Exclusion of workers' compensation benefits \$8.9 bil.
Exclusion for employer-provided transit passes \$381 mil.	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities \$230 mil.	Exclusion of life insurance death benefits \$16.3 bil.	Exemption of certain mutuals' and cooperatives' income \$100 mil.
Exclusion of benefits and allowances to armed forces personnel \$16.6 bil.	Exclusion of interest on energy facility bonds None reported	Exclusion of military disability pensions \$210 mil.	Exemption of credit union income \$2.9 bil.
Exclusion of certain allowances for federal employees abroad \$300 mil.	Exclusion of interest on hospital construction bonds \$2.5 bil.	Exclusion of net imputed rental income \$151.9 bil.	Exemption or special alternative tax for small property and casualty insurance companies \$1.4 bil.
Exclusion of certain foster care payments \$530 mil.	Exclusion of interest on owner-occupied mortgage subsidy bonds \$710 mil.	Exclusion of parsonage allowances \$1.0 bil.	Expensing of certain capital outlays \$120 mil.
		Exclusion of public assistance benefits (normal tax method) \$720 mil.	

Expensing of certain multiperiod production costs \$260 mil.	Income of trusts to finance voluntary employee benefits associations \$1.6 bil.	Ordinary income treatment of loss from small business corporation stock sale \$80 mil.	Reduced tax rate on active income of controlled foreign corporations (normal tax method) \$46.5 bil.
Expensing of certain small investments None reported	Indian employment credit \$30 mil.	Other Dependent Tax Credit None reported	Refundable Premium Assistance Tax Credit \$14.9 bil.
Expensing of exploration and development costs, coal None reported	Individual Retirement Accounts \$33.2 bil.	Parental personal exemption for students age 19 or over \$3.3 bil.	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States \$32 mil.
Expensing of exploration and development costs, nonfuel minerals None reported	Interest Charge Domestic International Sales Corporations (IC-DISCs) \$1.7 bil.	Premiums for mortgage insurance deductible as interest None reported	
Expensing of exploration and development costs, oil and gas \$70 mil.	Interest on the Public Debt None reported	Premiums on accident and disability insurance \$1.7 bil.	Self-employed medical insurance premiums \$8.5 bil.
Expensing of multiperiod timber growing costs \$260 mil.	Local Assistance and Tribal Consistency Fund None reported	Premiums on group term life insurance \$3.5 bil.	Self-Employed plans \$44.0 bil.
Expensing of reforestation expenditures \$70 mil.	Low and moderate income savers credit \$2.0 bil.	Qualified energy conservation bonds \$30 mil.	Small Dollar Loan Program \$18 mil.
Expensing of research and experimentation expenditures (normal tax method) -\$28.9 bil.	Low Income Taxpayer Clinics \$20 mil.	Qualified school construction bonds \$470 mil.	Small employer pension plan startup credit None reported
Homeowner Assistance Fund \$494k	Marginal wells credit \$180 mil.	Qualified tuition programs (includes Education IRA) \$3.4 bil.	Social Impact Partnerships to Pay for Results Act (SIPPR) None reported
Income averaging for farmers \$210 mil.	Medical Savings Accounts / Health Savings Accounts \$13.6 bil.	Recovery rebate credits \$990 mil.	Social Security benefits for retired and disabled workers and spouses, dependents and survivors \$30.8 bil.
Income of trusts to finance supplementary unemployment benefits \$50 mil.	Native Initiatives \$47 mil.	Recovery Zone Bonds \$70 mil.	The White House budget office said Social Security benefits would not be affected.
	New markets tax credit \$1.3 bil.	Reduced tax rate for nuclear decommissioning funds \$120 mil.	
	Opportunity Zones \$2.2 bil.		

Special Blue Cross/Blue Shield tax benefits \$380 mil.

Special deduction for teacher expenses \$160 mil.

Special Employee Stock Ownership Plan (ESOP) rules \$220 mil.

Special rules for certain film and TV production \$180 mil.

State Small Business Credit Initiative Competitive Technical Assistance Program \$75 mil.

State Small Business Credit Initiative Technical Assistance Grant Program \$81 mil.

Step-up basis of capital gains at death \$33.6 bil.

Tax Counseling for the Elderly \$12 mil.

Tax credit for orphan drug research \$1.9 bil.

Tax credits for clean vehicles \$15.6 bil.

Tax credits for clean-fuel burning vehicles and refueling property
None reported

Tax credits for post-secondary education expenses \$13.9 bil.

Tax credits for refueling property \$280 mil.

Tax exemption of insurance income earned by tax-exempt organizations \$380 mil.

Tax incentives for preservation of historic structures \$670 mil.

Tonnage tax \$100 mil.

Treatment of loans forgiven for solvent farmers \$60 mil.

Treatment of qualified dividends \$38.4 bil.

Tribal Economic Development Bonds \$10 mil.

Volunteer Income Tax Assistance (VITA) Matching Grant Program \$41 mil.

Work opportunity tax credit \$2.1 bil.

Zero-emission nuclear power production credit
None reported

Department of Transportation

Advanced Bridge Technology Clearinghouse (ABTC) Development None reported

Air Emissions and Energy Initiative \$6 mil.

Air Transportation Centers of Excellence \$62 mil.

Aircraft Pilots Workforce Development Grant Program \$5 mil.

Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and Covid-19 Airports Programs \$6.9 bil.

Alcohol Open Container Requirements \$62 mil.

All Stations Accessibility Program \$82 mil.

Asset Concessions and Innovative Finance Assistance \$19 mil.

Assistance to Small and Disadvantaged Businesses \$2 mil.

Assistance to Small Shipyards \$11 mil.

Autonomous Vehicle Research in Rural Communities Program
None reported

Aviation Maintenance Technical Workforce Grant Program \$9 mil.

Aviation Research Grants \$10 mil.

Ballast Water Treatment Technologies \$3 mil.

Behavioral Traffic Safety Cooperative Research \$4 mil.

Border Enforcement Grants None reported

Bridge and Other Transportation Infrastructure Research Program \$8 mil.

Bus Testing None reported

Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs \$997 mil.

Cable Security Fleet Program \$10 mil.

Capital Assistance to States, Intercity Passenger Rail Service
None reported

Capital Construction Fund None reported

Clean Fuels None reported