

# Trump administration orders sweeping freeze of federal aid

In a two-page memo, the Office of Management and Budget ordered all federal agencies to temporarily suspend payments.

By **Jennifer Scholtes and Nicholas Wu**  
**POLITICO**

One week in, the Trump administration is broadening its assault on the functions of government and shifting control of the federal purse strings further away from members of Congress.

President Donald Trump's budget office Monday ordered a total freeze on "all federal financial assistance" that could be targeted under his previous executive orders pausing funding for a wide range of priorities — from domestic infrastructure and energy projects to diversity-related programs and foreign aid.

In a [two-page memo](#) obtained by POLITICO, the Office of Management and Budget announced all federal agencies would be forced to suspend payments — with the exception of Social Security and Medicare.

"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," according to the memo, which three people authenticated.

The new order could affect billions of dollars in grants to state and local governments while causing disruptions to programs that benefit many households. There was also widespread confusion over how the memo would be implemented and whether it would face legal challenges.

While the memo says the funding pause does not include assistance "provided directly to individuals," for instance, it does not clarify whether that includes money sent first to states or organizations and then provided to households.

The brief memo also does not detail all payments that will be halted. However, it broadly orders federal agencies to "temporarily" stop sending federal financial assistance that could be affected by Trump's executive actions.

That includes the president's orders to freeze all funding from the Democrats' signature climate and spending law — the Inflation Reduction Act and the bipartisan infrastructure package enacted in 2021. It also imposes a 90-day freeze on foreign aid.

Senate Minority Leader Chuck Schumer in a statement decried the announcement as an example of “more lawlessness and chaos in America as Donald Trump’s Administration blatantly disobeys the law by holding up virtually all vital funds that support programs in every community across the country.”

The New York Democrat urged the administration to lift the freeze.

“They say this is only temporary, but no one should believe that,” he said. “Donald Trump must direct his Administration to reverse course immediately and the taxpayers’ money should be distributed to the people. Congress approved these investments and they are not optional; they are the law.”

Bobby Kogan, who worked at the White House budget office during the Biden administration, called the memo a “big, broad, illegal” order that violates impoundment law, which blocks presidents from unilaterally withholding money without the consent of Congress.

“This is as bad as we feared it would be,” said Kogan, who also served as a Democratic aide to the Senate Budget Committee and is now a director at the left-leaning Center for American Progress.

The president of the National Council of Nonprofits, Diane Yentel, said in a statement that the order “could decimate thousands of organizations and leave neighbors without the services they need.”

The funding pause, [first reported](#) by journalist Marisa Kabas, is scheduled to start at 5 p.m. Tuesday, a day after the memo was sent to agencies.

*Carmen Paun and Adam Cancryn contributed to this report.*