

# White House Rescinds Order to Freeze Federal Assistance, Grants

*Trump administration memo prompted chaos in Washington before being temporarily blocked by a federal judge*

By **Natalie Andrews, Liz Essley Whyte and Michelle Hackman**  
**Wall Street Journal**

WASHINGTON—The Trump administration rescinded its memo calling for federal agencies to pause potentially trillions of dollars in federal grants, loans and other financial-assistance programs, a day after a federal [judge temporarily blocked the directive](#) that had sowed widespread confusion.

The White House on Wednesday issued a memo to federal employees scrapping its original memorandum, according to a document viewed by The Wall Street Journal.

Matthew J. Vaeth, the acting director of the Office of Management and Budget, said that the previous memorandum “is rescinded. If you have questions about implementing the president’s executive orders, please contact your agency’s general counsel.”

OMB had sent the [initial order](#) to agencies Monday, calling for a temporary pause of the grants to give agencies time to review spending priorities. The directive instructed officials to halt “all activities related to obligations or disbursement of all federal financial assistance.”

The OMB memo said that the federal government spent more than \$3 trillion on federal assistance, including grants and loans, out of nearly \$10 trillion spent in the fiscal year 2024. The memo didn’t say where those figures came from. For the current fiscal year, which ends Sept. 30, the government is expected to spend about \$7 trillion, according to the nonpartisan Congressional Budget Office.

White House press secretary Karoline Leavitt said Wednesday: “This action should effectively end the court case and allow the government to focus on

enforcing the president's orders on controlling federal spending. In the coming weeks and months, more executive action will continue to end the egregious waste of federal funding."

The White House argued Wednesday that even though its Monday night call for a spending pause was now rescinded, the administration is still reviewing federal programs for ways to cut spending it views as wasteful. The Monday memo said the halt in funding was to make sure government spending complied with several of the orders Trump signed on his first day in office, including one on ending spending on federal diversity programs.

Nonetheless, the move to rescind the memo marked a rare and sudden about-face for Trump, whose political playbook more commonly involves never giving an inch when facing criticism. White House aides fervently defended the funding freeze Tuesday, with Leavitt saying that enacting the order to analyze federal spending was "exactly what the American people elected [Donald Trump](#) to do."

The rescinded memo doesn't end the administration's [separate pause on foreign aid](#) programs for assistance that involves abortions, family-planning conferences, [transgender surgeries](#) and gender and diversity, equity and inclusion efforts.

The Trump administration initiated the funding-freeze plan in part over frustration with employees at the Centers for Disease Control and Prevention who sent money to the World Health Organization after the White House [had moved to withdraw the U.S. from it](#), people familiar with the matter said.

At least one CDC employee was put on leave earlier this week after a payment went through to the WHO, an administration official said. The administration is looking into whether the payment was intentionally made despite Trump's order, or set up beforehand, this person said. It wasn't clear whether the administration has the authority to stop the particular funds in question. But in general, the CDC's parent agency, the Department of Health and Human Services, has broad leeway to reallocate spending.

The CDC didn't immediately respond to a request for comment.

After widespread confusion over the Monday memo, Stephen Miller, a White House deputy chief of staff for policy, blamed disobedient "bureaucrats" for the

freeze in an interview on CNN, appearing to cite the WHO incident and other examples.

“It became clear that bureaucrats were still trying to funnel unapproved discretionary grants of funds to their pet projects,” Miller said, adding, “You wouldn’t believe the payments we have had to pause the last few days with bureaucrats trying to funnel money out the door—funnel money to the World Health Organization, funnel money to resettlement agencies, funnel money to foreign countries. And so of course you have to have to put a pause on these discretionary grants of funding and have a political review process.”

Conservatives grew disenchanted with WHO in recent years, arguing its rules violated U.S. sovereignty and that the group was [slow to take Covid-19 seriously](#) and bungled early investigations into the outbreak, deferring too much to China.

Democrats, who have found themselves out of power in Washington since Trump’s victory in the November election, rejoiced at the White House reversal and hoped it would give them momentum to push back on parts of the president’s agenda.

“The Trump administration—through a combination of sheer incompetence, cruel intentions, and a willful disregard of the law—caused real harm and chaos for millions over the span of just 48 hours,” said Sen. Patty Murray (D., Wash.). Senate Minority Leader Chuck Schumer (D., N.Y.) said that Democrats would continue to protest Trump’s nominees.

The administration’s move came ahead of a hearing Wednesday afternoon in which a federal judge in Rhode Island heard a request by Democratic attorneys general in 22 states and the District of Columbia to block the funding freeze. The judge didn’t rule right away, but said the case might not be moot if the administration still takes actions that are consistent with the memo.

The states argued the OMB directive unconstitutionally overrides Congress’s power to decide how federal funds are spent. The lawsuit also alleged violations of the Administrative Procedure Act, a federal law that sets out the rules for regulatory change and requires reasoned explanations for executive actions.

A judge in Washington, D.C., on Tuesday already had put the order on hold for several days. That came in response to a lawsuit filed by organizations affected by the freeze.

The initial order threw state and federal agencies into chaos as organizations struggled to access funding portals dealing with Medicaid, emergency aid and low-income education and nutrition services. A judge temporarily blocked the implementation of the effort Tuesday night, shortly before the order was set to take effect.

The administration spent Tuesday trying to contain the fallout. The Monday memo noted exemptions to Medicare, Social Security benefits and assistance provided directly to individuals—but gave few other clues as to what it covered or didn't cover, such as Meals on Wheels or organizations that help people and receive federal funding.

The lack of information prompted government officials, lawmakers, nonprofits and others to parse through the two-page document to agencies—down to the footnotes—in an effort to understand which programs would be halted.

*Jan Wolfe contributed to this article.*