Department of War

Fiscal Year (FY) 2027 Budget Estimates

Family Housing

Defense-Wide

Justification Data Submitted to Congress

April 2026

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FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2027 Budget Estimates

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FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2027 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	($000)
FY 2027 Budget Request	71,977
FY 2026 Enacted	62,186

	DIA	DSCA	NSA	OASW (EI&E)	FY 2027 TOTAL
Family Housing Construction					
New Construction	-	-	-	-	-
Improvements	-	-	-	-	-
Planning and Design	-	-	-	-	-
Construction Subtotal	**-**	**-**	**-**	**-**	**-**
Family Housing Operation & Maintenance (O&M)					
Utilities	4,548	-	15	-	4,563
Operations:					
Furnishings	566	-	93	-	659
Management	-	-	-	-	-
Services	-	-	-	-	-
Total Operations	566	-	93	-	659
Maintenance	-	-	37	-	37
Leasing	34,693	8,792	14,320	-	57,805
O&M Subtotal	**39,807**	**8,792**	**14,465**	**-**	**63,064**
Family Housing Improvement Fund (FHIF)					
FHIF Administrative	-	-	-	8,412	**8,412**
Military Unaccompanied Housing Improvement Fund (MUHIF)					
MUHIF Administrative	-	-	-	501	**501**
Total FH DW Programs	**39,807**	**8,792**	**14,465**	**8,913**	**71,977**

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FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2027 Budget Estimates

APPROPRIATION LANGUAGE

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of War (other than the military departments) for operation and maintenance, leasing, and minor construction, as authorized by law, $63,064,000.

DEPARTMENT OF WAR FAMILY HOUSING IMPROVEMENT FUND

For the Department of War Family Housing Improvement Fund, $8,412,000, to remain available until expended, for family housing initiatives undertaken pursuant to section 2883 of Title 10, United States Code, providing alternative means of acquiring and improving military family housing and supporting facilities.

DEPARTMENT OF WAR MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND

For the Department of War Military Unaccompanied Housing Improvement Fund, $501,000 to remain available until expended, for unaccompanied housing initiatives undertaken pursuant to section 2883 of Title 10, United States Code, providing alternative means of acquiring and improving military unaccompanied housing and supporting facilities.

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FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2027 Budget Estimates

FAMILY HOUSING OPERATION & MAINTENANCE, DEFENSE-WIDE

The FY 2027 Family Housing Operation and Maintenance, Defense-Wide request is $5,259,000 (excludes leasing costs, which will be addressed separately). The Operation and Maintenance account includes maintenance and repair of government-owned housing units and associated real property; utility services; repair, replacement, transportation and handling of furniture and furnishings; refuse collection and disposal services; management services; and other miscellaneous support. Furnishings support for members of the Defense Attaché System are also included.

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FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2027 Budget Estimates

FAMILY HOUSING OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

A. Inventory Data	FY 2025	FY 2026	FY 2027
Units in Being Beginning of Year	1	1	1
Units in Being End of Year	1	1	1
Average Inventory for Year	1	1	1
Units Requiring O&M Funding			
a. Conterminous U.S.	-	-	-
b. U.S. Overseas	-	-	-
c. Foreign	1	1	1
d. Worldwide	-	-	-

	FY 2025		FY 2026		FY 2027	
	Unit Cost ($)	Total Cost ($000)	Unit Cost ($)	Total Cost ($000)	Unit Cost ($)	Total Cost ($000)
B. Funding Requirements						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	91,000	746	93,000	646	93,000	659
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	91,000	746	93,000	646	93,000	659
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	91,000	746	93,000	646	93,000	659
2. Utilities						
Direct Obligations-Utilities	3,000	3,905	15,000	4,460	15,000	4,563
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	3,000	3,905	15,000	4,460	15,000	4,563
3. Maintenance						
a. M&R Dwellings	28,000	38	37,000	37	37,000	37
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	28,000	28	37,000	37	37,000	37
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	28,000	28	37,000	37	37,000	37
Total Direct Obligations	**122,000**	**4,679**	**145,000**	**5,143**	**145,000**	**5,259**
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	**122,000**	**4,679**	**145,000**	**5,143**	**145,000**	**5,259**

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DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2027 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	FY 2025	FY 2026	FY 2027
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	**-**	**-**	**-**
Operations	665	553	566
Utilities	3,902	4,445	4,548
Maintenance	-	-	-
Leasing	32,693	33,911	34,693
O&M Subtotal	37,250	38,909	39,807
Reimbursable	-	-	-
Total Program	**37,250**	**38,909**	**39,807**

One of the missions of the Defense Intelligence Agency (DIA), in its role as single manager for Department of War (DoW) strategic Human Intelligence, is the direction, operations, and support (including housing support) for the Defense Attaché Service (DAS). The DAS is a critical component of Human Intelligence collection capabilities within DoW and is the only component wholly controlled by the DIA. The mission of the DAS is: (1) observe and report military and politico-military information; (2) advise the U.S. Ambassador on military and politico-military matters; (3) represent the DoW and the military services; and (4) administer military assistance programs and foreign military sales as directed. These missions are accomplished through the Defense Attaché Offices (DAO), which are organic elements of the U.S. Diplomatic Missions.

As the Single Real Property Manager, the Department of State (DoS) through the embassy Housing Board assigns housing for Attachés and their support staffs at a level of expense and square footage that is equivalent to their DoS and other tenant agency counterparts.

The DIA's Budget Submission for the FY 2027 Family Housing Program funds government leases (of which approximately 266 are high-cost leases) at DAOs worldwide. These funds provide for all lease costs which include utilities, residential protection services, custodial and fire protection services, furnishings and appliances (including maintenance, repair, and annual assessment fees), and administrative services performed by the DoS under the International Cooperative Administrative Support Services (ICASS) and Memoranda of Understanding.

DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2027 Budget Estimates

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

A. Inventory Data	FY 2025	FY 2026	FY 2027
Units in Being Beginning of Year	-	-	-
Units in Being End of Year	-	-	-
Average Inventory for Year	-	-	-
Units Requiring O&M Funding			
a. Conterminous U.S.	-	-	-
b. U.S. Overseas	-	-	-
c. Foreign	-	-	-
d. Worldwide	-	-	-

	FY 2025		FY 2026		FY 2027	
	Unit Cost ($)	Total Cost ($000)	Unit Cost ($)	Total Cost ($000)	Unit Cost ($)	Total Cost ($000)
B. Funding Requirements						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	-	655	-	553	-	566
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	-	655	-	553	-	566
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	655	-	553	-	566
2. Utilities						
Direct Obligations-Utilities	-	3,902	-	4,445	-	4,548
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	3,902	-	4,445	-	4,548
3. Maintenance						
a. M&R Dwellings	-	-	-	-	-	-
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	-	-	-	-	-	-
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	-	-	-	-	-
Total Direct Obligations	-	**4,557**	-	**4,998**	-	**5,235**
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	-	**4,557**	-	**4,998**	-	**5,235**

DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2027 Budget Estimates

OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

Operations: The Family Housing Operations expenses for DIA furnishings includes the purchase, transportation, maintenance and repair of furniture and appliances for members of the DAS.

Utilities: The Family Housing Operations expenses for DIA utilities includes utility purchases for members of the DAS.

Operations-Furnishings:	**($000)**
1. FY 2026 President's Budget Request	**553**
2. FY 2026 Appropriated Amount	0
3. FY 2026 Current Estimate	553
4. Price Change	+12
5. Program Change: Unit furnishing requirements are expected to remain stable in FY 2027.	+1
6. FY 2027 Budget Request	**566**

Utilities:	**($000)**
1. FY 2026 President's Budget Request	**4,445**
2. FY 2026 Appropriated Amount	0
3. FY 2026 Current Estimate	4,445
4. Price Change	+93
5. Program Change: Marginal change due to stable requirements for gas, electric, and water.	+10
6. FY 2027 Budget Request	**4,445**

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DEFENSE SECURITY COOPERATION AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2027 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	FY 2025	FY 2026 *	FY 2027
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	**-**	**-**	**-**
Utilities	-	-	-
Operations	-	-	-
Maintenance	-	-	-
Leasing	-	-	8,792
O&M Subtotal	-	-	8,792
Reimbursable	-	-	-
Total Program	**-**	**-**	**8,792**

DSCA's Family Housing Program funds embassy-leased housing costs associated with servicemembers accompanied by their families who are stationed at U.S. military groups (MILGPs) within embassies supporting the Defense Security Cooperation Service (DSCS). Accompanied MILGP servicemembers and their families must reside in embassy-leased housing when directed by the U.S. State Department to ensure their safety, security, and to avoid financial and legal risk in the absence of U.S. statutory protections associated with leasing housing in a foreign country.

***** Family Housing Operation & Maintenance, Defense-Wide funding in the amount of **$8,545**, meant to support embassy-leased housing, was misaligned to Operation & Maintenance, Defense-Wide in the FY 2026 President's Budget request. After enactment, to remedy this misalignment the Department provided a funds transfer notification to Congress as part of military construction reprogramming request *"26-03_MC_December_2025"*. The Department subsequently transferred Military Construction, Defense-Wide funds to Family Housing Operation & Maintenance, Defense-Wide to support embassy-leased housing.

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NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2027 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	FY 2025	FY 2026	FY 2027
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Utilities	3	15	15
Operations	91	93	93
Maintenance	28	37	37
Leasing	13,390	14,320	14,320
O&M Subtotal	13,512	14,465	14,465
Reimbursable	-	-	-
Total Program	**13,512**	**14,465**	**14,465**

NSA's Family Housing Program provides the housing for NSA (civilian and military) employees working overseas. The majority of housing is leased. The total number of government-owned residential units will remain at 1 unit from the beginning to the end of FY 2027. This program summary displays a funding profile for the leasing of housing units as well as expenses for the government-owned unit, to include utilities, operations, and maintenance funding.

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2027 Budget Estimates

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

A. Inventory Data	**FY 2025**	**FY 2026**	**FY 2027**
Units in Being Beginning of Year	1	1	1
Units in Being End of Year	1	1	1
Average Inventory for Year	1	1	1
Units Requiring O&M Funding			
a. Conterminous U.S.	-	-	-
b. U.S. Overseas	-	-	-
c. Foreign	1	1	1
d. Worldwide	-	-	-

	FY 2025		**FY 2026**		**FY 2027**	
	Unit Cost ($)	Total Cost ($000)	Unit Cost ($)	Total Cost ($000)	Unit Cost ($)	Total Cost ($000)
B. Funding Requirements						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	91,000	91	93,000	93	93,000	93
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	91,000	91	93,000	93	93,000	93
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	91,000	91	93,000	93	93,000	93
2. Utilities						
Direct Obligations-Utilities	3,000	3	15,000	15	15,000	15
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	3,000	3	15,000	15	15,000	15
3. Maintenance						
a. M&R Dwellings	28,000	28	37,000	37	37,000	37
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	28,000	28	37,000	37	37,000	37
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	28,000	28	37,000	37	37,000	37
Total Direct Obligations	**122,000**	**122**	**145,000**	**145**	**145,000**	**145**
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	**122,000**	**122**	**142,000**	**145**	**145,000**	**145**

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2027 Budget Estimates

OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

Operations: Supports residential unit maintenance, repair, and replacement of furnishings, and administrative support at the installation level.

Utilities: Supports residential unit utility services such as water, sewage, sewage treatment fees, electricity, natural gas, propane gas, etc.

Maintenance: Supports residential unit maintenance and repair, associated utility systems, minor alterations, and other incidental improvements.

Operations-Furnishings:	**($000)**
1. FY 2026 President's Budget Request	**93**
2. FY 2026 Appropriated Amount	0
3. FY 2026 Current Estimate	93
4. Price Change	+2
5. Program Change: Unit furnishing requirements are expected to remain stable in FY 2027.	-2
6. FY 2027 Budget Request	**93**

Utilities:	**($000)**
1. FY 2026 President's Budget Request	**15**
2. FY 2026 Appropriated Amount	0
3. FY 2026 Current Estimate	15
4. Price Change	0
5. Program Change: Unit utility requirements are expected to remain stable in FY 2027.	0
6. FY 2027 Budget Request	**15**

Maintenance:	**($000)**
1. FY 2026 President's Budget Request	**37**
2. FY 2026 Appropriated Amount	0
3. FY 2026 Current Estimate	37
4. Price Change	+1
5. Program Change: Unit maintenance requirements are expected to remain stable in FY 2027.	-1
6. FY 2027 Budget Request	**37**

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FAMILY HOUSING, DEFENSE-WIDE
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2027 Budget Estimates

LEASING SUMMARY

The FY 2027 leasing request by agency is as follows:

	FY 2025 Actual		FY 2026 Estimate		FY 2027 Request	
	Total Cost ($000)	No. Units	Total Cost ($000)	No. Units	Total Cost ($000)	No. Units
Defense Intelligence Agency						
Direct Obligations	32,693	714	33,911	722	34,693	732
Reimbursements	-	-	-	-	-	-
Gross Obligations	32,693	714	33,911	722	34,693	732
Defense Security Cooperation Agency						
Direct Obligations	-	-	-	-	8,792	190
Reimbursements	-	-	-	-	-	-
Gross Obligations	-	-	-	-	8,792	190
National Security Agency						
Direct Obligations	13,390	261	14,320	261	14,320	261
Reimbursements	-	-	-	-	-	-
Gross Obligations	13,390	261	14,320	261	14,320	261
Total Program	46,083	975	48,231	983	57,805	1,183

Defense Agencies leases are located exclusively overseas, in many cases at remote locations where housing comparable to western standards is scarce or nonexistent. Leasing in areas where suitable housing is in short supply is very expensive which accounts for the fact that the bulk of the high-cost leases are concentrated in the Defense Agencies. These lease units support both activities in classified locations and the DAS. Host government restrictions, security requirements, and safety and health improvements add additional costs to these leases in many locations. Detailed justification by agency is provided on the following pages.

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DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2027 Budget Estimates

OPERATION AND MAINTENANCE
Analysis of Leased Units

Location	FY 2025 Units Auth.	FY 2025 Lease Months	FY 2025 Cost ($000)	FY 2026 Units Auth.	FY 2026 Lease Months	FY 2026 Cost ($000)	FY 2027 Units Auth.	FY 2027 Lease Months	FY 2027 Cost ($000)
Domestic Leases									
None									
Foreign Leases									
Classified Locations*	714	8,568	32,693	722	8,664	33,911	732	8,784	34,693
Reimbursable	-	-	-	-	-	-	-	-	-
Total Foreign Lease	714	8,568	32,693	722	8,664	33,911	732	8,784	34,693
Grand Total	**714**	**8,568**	**32,693**	**722**	**8,664**	**33,911**	732	8,784	**34,693**

*Due to the sensitive nature of this information, country detail, to include lease months, can be provided to the committee under separate cover.

DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2027 Budget Estimates

OPERATION AND MAINTENANCE
Leasing

OP-5 Reconciliation of Increases and Decreases

Leasing: An important element of DIA's mission is the operation and management of the DAS for the DAOs located at U.S. embassies in capital cities around the world. The FY 2027 budget request for DIA includes funding associated with leases costs for the DAS worldwide which include many in high-cost areas and the ICASS.

Leasing:	**($000)**
1. FY 2026 President's Budget Request	**33,911**
2. FY 2026 Appropriated Amount	0
3. FY 2026 Current Estimate	33,911
4. Price Change	+712
5. Program Change: This increase is due to differing economies and inflation rates in the 143 countries DAS resides. The funds requested in this budget only support those costs incurred for family housing leasing and minimal ICASS costs.	+70
6. FY 2027 Budget Request	**34,693**

DEFENSE SECURITY COOPRATION AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2027 Budget Estimates

OPERATION AND MAINTENANCE
Analysis of Leased Units

	FY 2025			FY 2026			FY 2027		
Location	Units Auth.	Lease Months	Cost ($000)	Units Auth.	Lease Months	Cost ($000)	Units Auth.	Lease Months	Cost ($000)
				Domestic Leases					
None									
				Foreign Leases					
Activities	-	-	-	-	-	-	190	12	8,792
Reimbursable	-	-	-	-	-	-	-	-	-
Total Foreign Lease	-	-	-	-	-	-	190	12	8,792
Grand Total	-	-	-	-	-	-	**190**	**12**	**8,792**

Exhibit FH-4 Analysis of Leased Units

DEFENSE SECURITY COOPERATION AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2027 Budget Estimates

OPERATION AND MAINTENANCE
Leasing

OP-5 Reconciliation of Increases and Decreases

Leasing: An important element of DSCA's mission is the operation and management of DSCA military and civilian staff at U.S. embassies around the world. The FY 2027 budget request for DSCA includes funding associated with leases costs for the security cooperation workforce and U.S. MILGPs worldwide.

Leasing:	**($000)**
1. FY 2026 President's Budget Request*	-
2. FY 2026 Appropriated Amount	-
3. FY 2026 Current Estimate	-
4. Price Change	-
5. Program Change: Funds embassy-leased housing costs associated with accompanied families of servicemembers who are stationed at U.S. MILGPs within embassies supporting the DSCS.	+8,792
6. FY 2027 Budget Request	**8,792**

***** Family Housing Operation & Maintenance, Defense-Wide funding in the amount of **$8,545**, meant to support embassy-leased housing, was misaligned to Operation & Maintenance, Defense-Wide in the FY 2026 President's Budget request. To remedy this misalignment, after enactment the Department provided a funds transfer notification to Congress as part of military construction reprogramming request *"26-03_MC_December_2025".* The Department subsequently transferred Military Construction, Defense-Wide funds to Family Housing Operation & Maintenance, Defense-Wide to support embassy-leased housing.

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2027 Budget Estimates

OPERATION AND MAINTENANCE
Analysis of Leased Units

	FY 2025			FY 2026			FY 2027		
Location	Units Auth.	Lease Months	Cost ($000)	Units Auth.	Lease Months	Cost ($000)	Units Auth.	Lease Months	Cost ($000)
Domestic Leases									
None									
Foreign Leases									
Special Crypto Activities	261	3,132	13,390	261	3,132	14,320	261	3,132	14,320
Reimbursable	-	-	-	-	-	-	-	-	-
Total Foreign Lease	261	3,132	13,390	261	3,132	14,320	261	3,132	14,320
Grand Total	**261**	**3,132**	**13,390**	**261**	**3,132**	**14,320**	261	3,132	**14,320**

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2027 Budget Estimates

OPERATION AND MAINTENANCE
Leasing

OP-5 Reconciliation of Increases and Decreases

Leasing: NSA's Budget Submission for the FY 2027 Family Housing Program funds government leases. These funds provide for all lease costs to include utilities, maintenance, and operations cost, and administrative and support services performed by the DoS under the ICASS.

Leasing:	**($000)**
1. FY 2026 President's Budget Request	**14,320**
2. FY 2026 Appropriated Amount	0
3. FY 2026 Current Estimate	14,320
4. Price Change	+301
5. Program Change: A minor decrease attributable to small changes in year-over-year operating costs.	-301
6. FY 2027 Budget Request	**14,320**

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DEPARTMENT OF WAR
FAMILY HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2027 Budget Estimates

The FY 2027 Department of War (DoW) Family Housing Improvement Fund (FHIF) Administrative request is $8,412,000 to support administration of privatized family housing under the Military Housing Privatization Initiative (MHPI) Program as prescribed by the Federal Credit Reform Act of 1990.

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DEPARTMENT OF WAR
FAMILY HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2027 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	FY 2025	FY 2026	FY 2027
FY 2027 Budget Request	**5,625**	**8,315**	**8,412**

Program and Scope

DoW has privatized 99 percent (more than 200,000 units) of its family housing inventory in the United States, with 79 current projects executed under the Military Housing Privatization Initiative (MHPI), a federal credit program authorized by Congress in 1996. Under the MHPI, Military Departments conveyed their existing government family housing units to competitively selected privatization entities (i.e., the MHPI projects). In return, the MHPI projects assumed responsibility for operation, maintenance, repair, construction, and replacement of the housing during the lease term, in accordance with the MHPI authorities as defined in Title 10, United States Code. The MHPI housing projects operate under long-term (typically 50-year) ground leases and associated legal agreements with a Military Department, with most having a one 25-year option period. Through the MHPI, DoW has achieved more than $32 billion in private development by leveraging just $4 billion in DoW investment. The resulting development eliminated nearly 142,000 inadequate homes and an associated $20 billion maintenance backlog.

DoW relies on the FHIF to accomplish MHPI family housing oversight and administration consistent with statutory requirements, congressional direction (e.g., the extensive new requirements set out in the FY 2020 – FY 2026 National Defense Authorization Acts [NDAAs] [Public Laws 116-92, 116-283, 117-81, 117-263, 118-31, and 119-60]) and OMB Circular A-129 “Policies for Federal Credit Programs and Non-Tax Receivables”. In particular, the requested funds are necessary for Office of the Assistant Secretary of War for Energy, Installations, and Environment (OASW (EI&E)) MHPI realty/financial advisory and associated consultant support, which is vital for protecting the Government’s interests through assessment of MHPI project financials and financial viability. The requested funds also provide critical support for the ASD (EI&E) to execute the statutorily defined Chief Housing Officer duties and responsibilities, including the statutorily required housing complaint database.

Program Summary

Congress authorized the MHPI in 1996 as a tool to help the DoW address the inadequate condition of on-base housing in the United States, as well as the shortage of quality, affordable community housing available to Service members and their families. Under the MHPI authorities, the Military Departments select private developers to enter into complex real estate agreements to own, operate, maintain and repair family housing or unaccompanied housing, including temporary lodging, in accordance with a long-term (typically 50-year) ground lease and associated legal

agreements: and leverage private sector financing, expertise and innovation to revitalize and build new, quality on-base housing faster and more efficiently than the traditional Military Construction processes could allow. Privatized housing deals take advantage of the MHPI credit authorities (e.g., Federal direct loans, limited loan guarantees), necessitating continued and long-term DoW oversight and monitoring of the financial health (e.g., risk of loan default or financial restructuring) of each of the 79 family housing MHPI projects, to include periodic modifications dependent on military force structure, local housing market changes, or the need to aid in housing recovery following a disaster.

The FY 2027 FHIF budget maintains the Department's commitment to its oversight role and supports our continued, long-term need for enhanced realty/financial advisory and associated consultant support and execution of statutorily required items such as the housing complaint database. The enhanced realty/financial advisory and associated consultant support includes the monitoring of the financial health, financing, and accounting aspects of 79 financially complex MHPI family housing projects deal structures (e.g., project debt structures frequently involve the bond market and credit swaps).

DEPARTMENT OF WAR
FAMILY HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2027 Budget Estimates

Reconciliation of Increases and Decreases

The FHIF budget request will fund enhanced oversight of family housing privatized under the MHPI program, to include realty / financial advisory, and associated consultant support to the OASD (EI&E).

	($000)
1. FY 2026 President's Budget Request	**8,315**
2. Price Change	+175
3. Program Change: Decrease in funding related to year-to-year differences in program costs. Maintains the Department's commitment to the oversight of family housing privatized under the MHPI program and execution of the statutorily defined responsibilities of the Chief Housing Officer, in support of the requirements set out in the FY 2020 - FY 2026 NDAAs.	-78
4. FY 2027 Budget Request	**8,412**

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DEPARTMENT OF WAR
MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2027 Budget Estimates

The FY 2027 Department of War (DoW) Military Unaccompanied Housing Improvement Fund (MUHIF) Administrative request is $501,000 to support enhanced oversight of unaccompanied housing (including temporary lodging) privatized under the MHPI Program as prescribed by the Federal Credit Reform Act of 1990.

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DEPARTMENT OF WAR
MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2027 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	FY 2025	FY 2026	FY 2027
FY 2027 Budget Request	**502**	**497**	**501**

Program and Scope

DoW has privatized select unaccompanied housing units, including temporary lodging (i.e., hotels), on military installations in the United States under the Military Housing Privation Initiative (MHPI), a federal credit program authorized by Congress in 1996, entering legal agreements that transferred ownership, maintenance, and operations of these housing assets to private partners/developers via long-term (typically 50-year) ground leases (with 25-year option periods).

DoW relies on the MUHIF to accomplish oversight, assessment, and administration of MHPI unaccompanied housing (including temporary lodging) consistent with statutory requirements, congressional direction (e.g., the extensive new requirements set out in the FY 2020 - FY 2026 NDAAs [Public Laws 116-92, 116-283, 117-81, 117-263, 118-31, and 119-60]), and OMB Circular A-129 "Policies for Federal Credit Programs and Non-Tax Receivables". In particular, the requested funds are necessary for OASD (EI&E) realty/financial advisory and associated consultant support, which is vital for protecting the Government's interests through assessment of MHPI project financials and financial viability. The requested funds also provide critical support for the ASD (EI&E) to execute the statutorily defined Chief Housing Officer duties and responsibilities, including the statutorily required housing complaint database.

Program Summary

Congress authorized the MHPI in 1996 as a tool to help the DoW address the inadequate condition of on-base housing in the United States, as well as the shortage of quality, affordable community housing available to service members and their families. Under the MHPI authorities, the Military Departments select private developers to enter into complex real estate agreements to own, operate, maintain and repair family housing or unaccompanied housing, including temporary lodging, in accordance with a long-term (typically 50-year) ground lease and associated legal agreements; and leverage private sector financing, expertise and innovation to revitalize and build new, quality on-base housing faster and more efficiently than traditional Military Construction processes could allow. Privatized housing deals take advantage of MHPI credit authorities (e.g., Federal direct loans, limited loan guarantees), necessitating continued and long-term DoW oversight and monitoring of the financial health (e.g., risk of loan default or financial restructuring) of each of the 9 unaccompanied housing MHPI projects and 1 temporary

lodging MHPI project, to include periodic modifications dependent on military force structure, local housing market changes, or the need to aid in housing recovery following a natural disaster.

The FY 2027 MUHIF budget maintains the Department's commitment to its oversight role and supports our need for enhanced realty/financial advisory and associated consultant support and execution of statutorily required items such as the housing complaint database. The enhanced realty/financial advisory and associated consultant support includes the monitoring of the financial and accounting aspects of 10 financially complex MHPI unaccompanied housing/temporary lodging project deal structures (e.g., project debt structures frequently involve the bond market and credit swaps).

DEPARTMENT OF WAR
MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2027 Budget Estimates

Reconciliation of Increases and Decreases

The MUHIF budget request will fund enhanced oversight of unaccompanied housing (including temporary lodging) privatized under the MHPI program, to include realty / financial advisory and associated consultant support to the OASD (EI&E).

	($000)
1. FY 2026 President's Budget Request	**497**
2. Price Change	+10
3. Program Change: Decrease in funding related to year-to-year differences in program costs. Maintains the Department's commitment to the oversight of unaccompanied housing and temporary lodging privatized under the MHPI program, and execution of the statutorily defined responsibilities of the Chief Housing Officer, in support of the requirements set out in the FY 2020 - FY 2026 NDAAs.	-6
4. FY 2027 Budget Request	**501**

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