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Trump White House reverses course, rescinds freeze on federal grants

The budget office came under immense pressure over the impacts of a sudden pause in key government spending.

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President Donald Trump speaks to reporters on Jan. 21, 2025. (Jabin Botsford/The Washington Post)

By [Jeff Stein](#) and [Tony Romm](#)

The White House budget office on Wednesday rescinded an order freezing federal grants, according to a copy of a new memo obtained by The Washington Post, after the administration’s move to halt spending earlier this week provoked a backlash.

In a memo dated Wednesday and distributed to federal agencies, Matthew J. Vaeth, acting director of the White House Office of Management and Budget, states that OMB memorandum M-25-13 “is rescinded.” That order, issued Monday, instructed federal agencies to “temporarily pause all activities related to obligations or disbursement of all federal financial assistance.”

The original White House order freezing federal grants, which became public on Monday, caused mass chaos and confusion across Washington, appearing to imperil government programs that fund schools, provide housing and ensure low-income Americans have access to health care. States reported issues accessing funds under Medicaid, and even as of Wednesday, public housing authorities reported being locked out of their funding portal. White House spokeswoman Karoline Leavitt said Tuesday that assistance for individuals would not be affected.

Federal Funding Freeze

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The Trump administration withdrew the order a day after a federal judge in Washington, D.C., temporarily halted its implementation until Feb. 3, allowing public-health advocates, nonprofits and businesses — represented by the left-leaning group Democracy Forward — more time to challenge the directive’s legality. Separately, roughly two dozen state attorneys general filed their own lawsuit against the administration on Tuesday, arguing the pause to federal spending had harmed their citizens.

A White House spokeswoman did not immediately respond to a request for comment.

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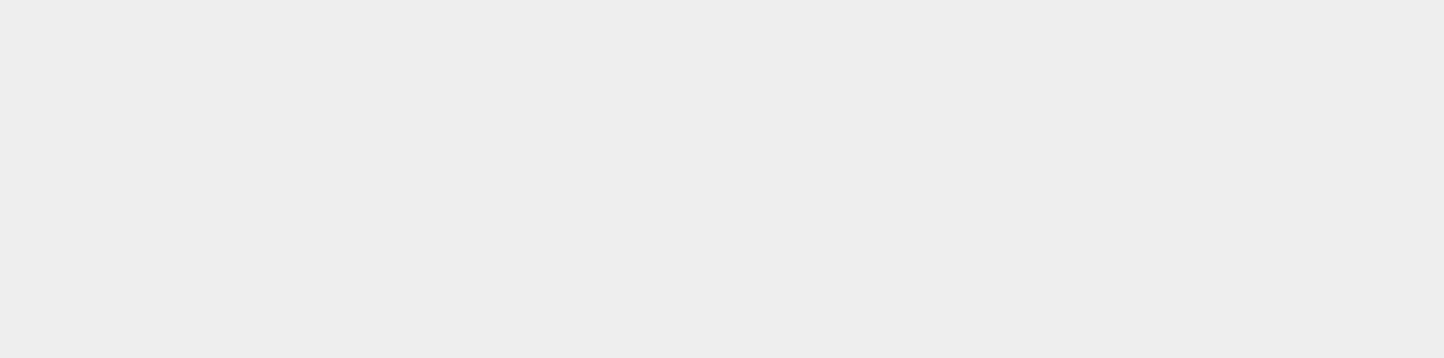
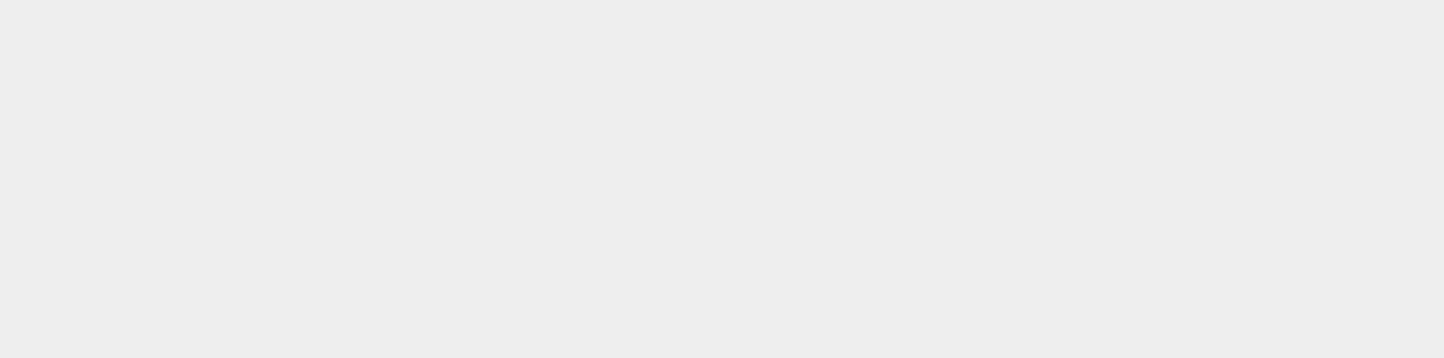
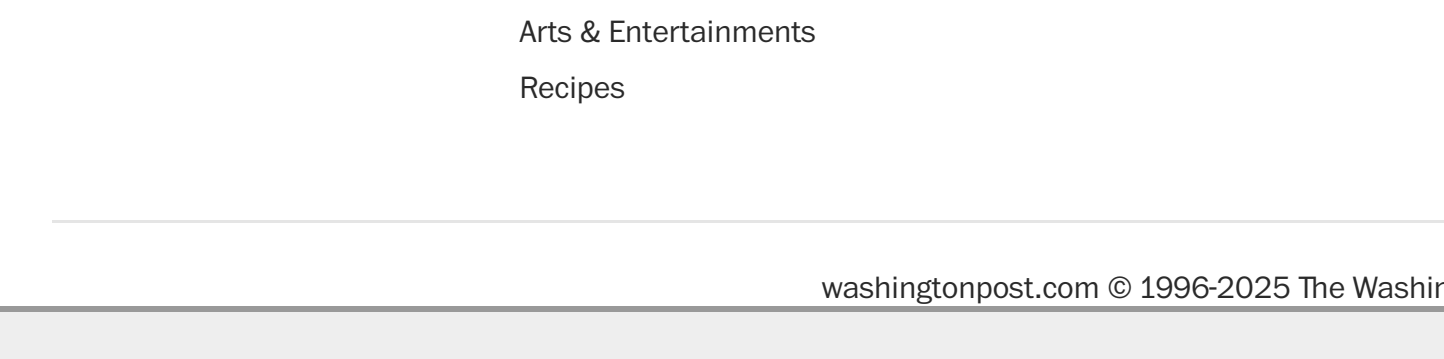
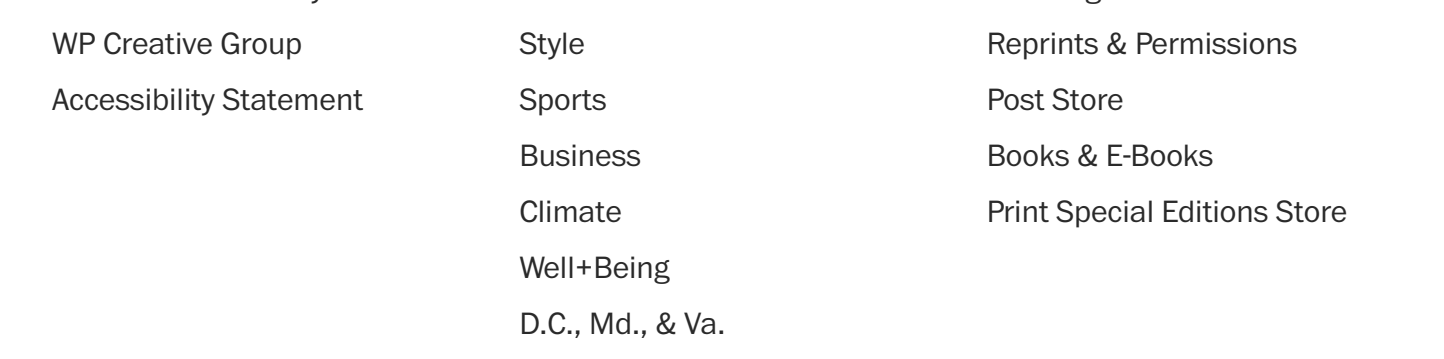
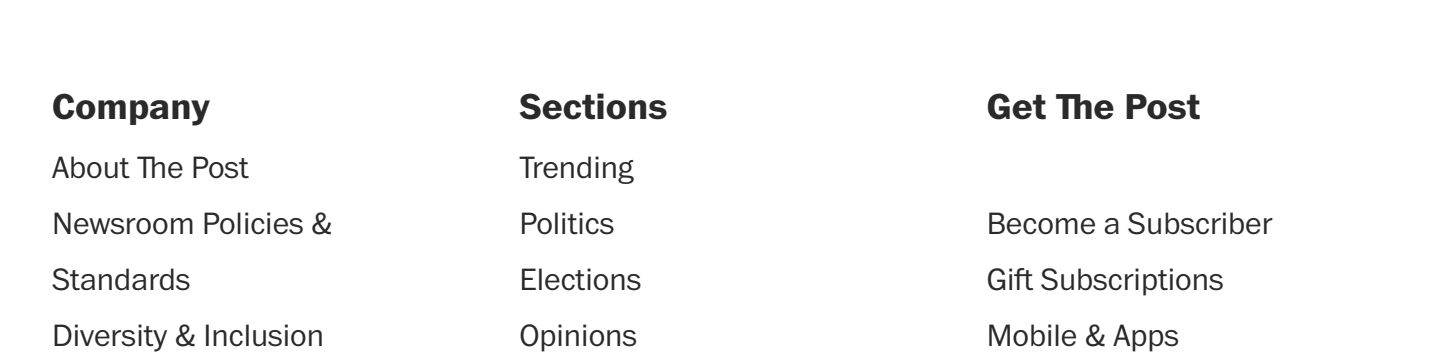
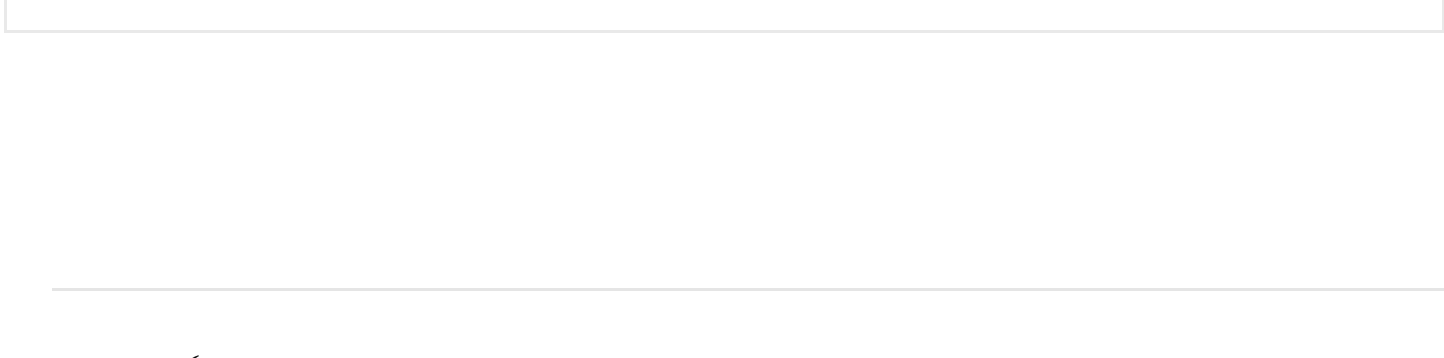
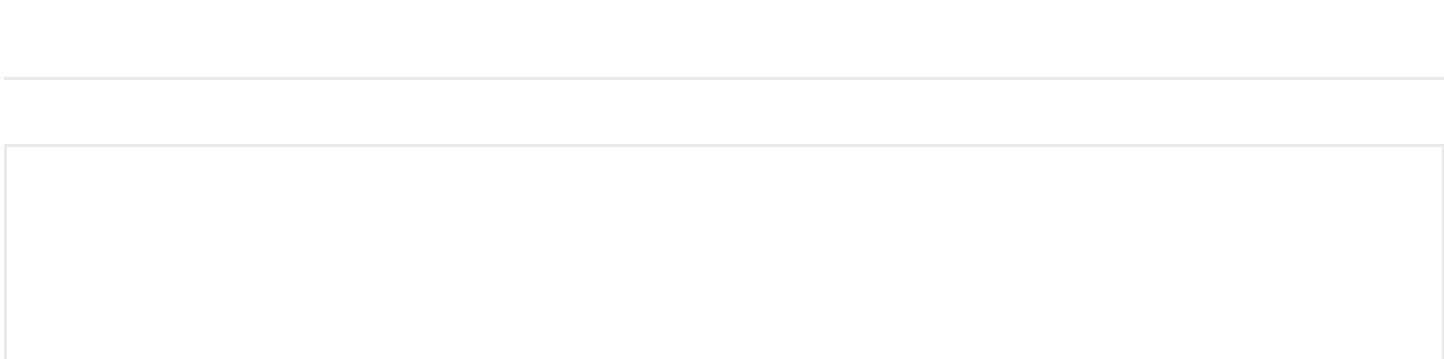
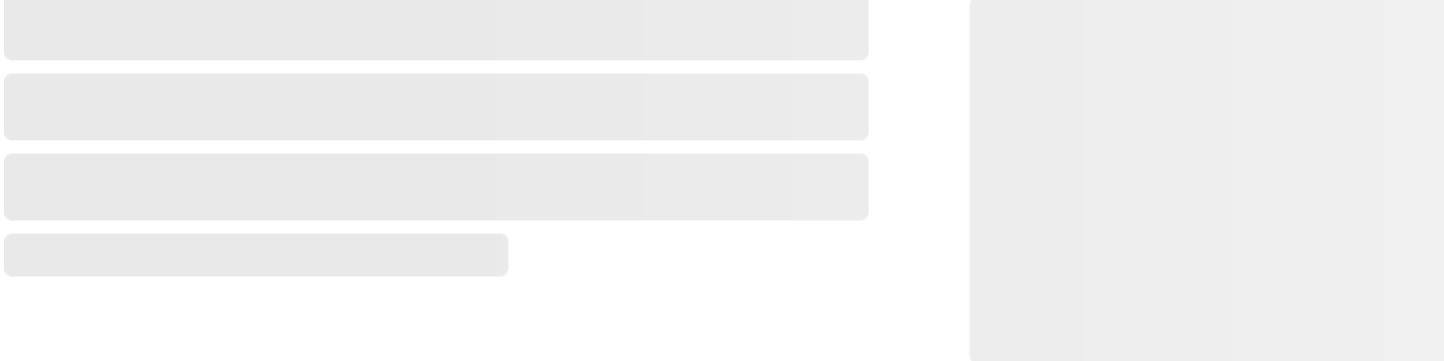
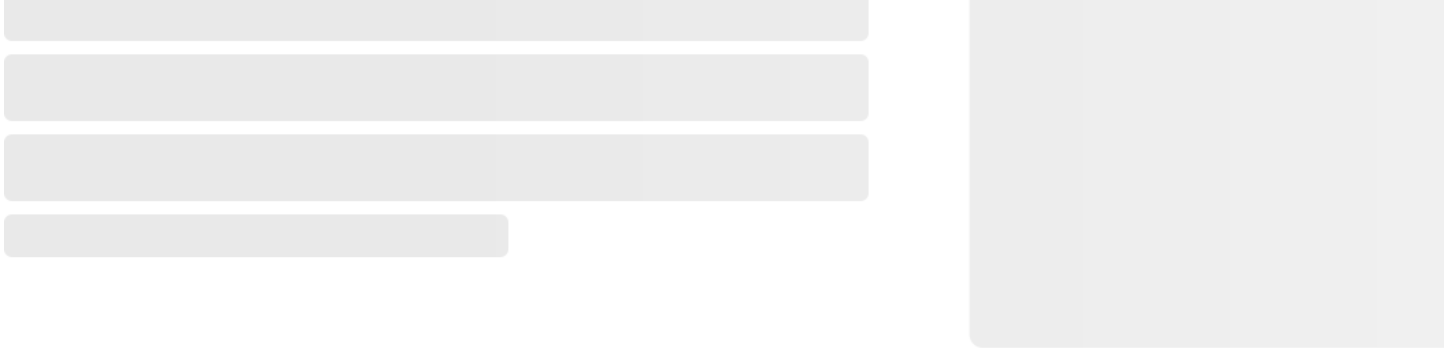
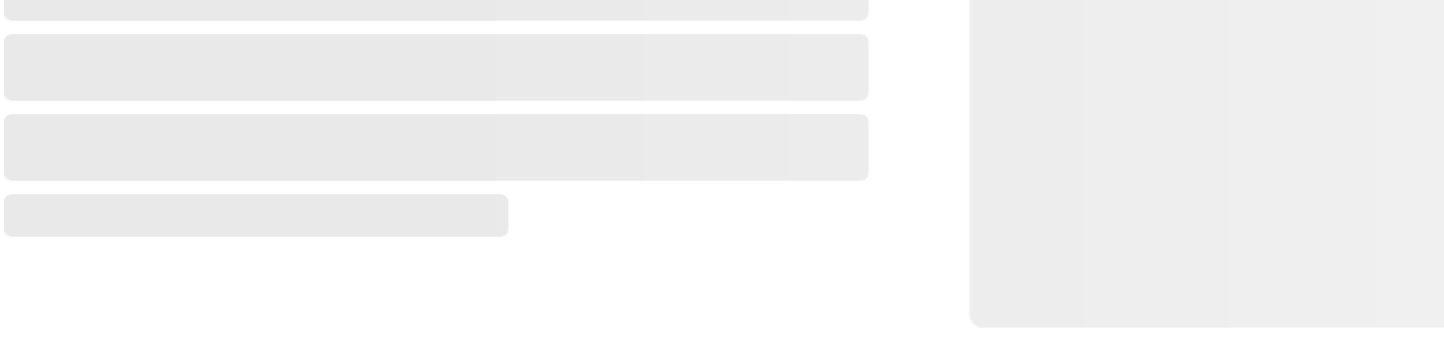
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By [Jeff Stein](#)

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