

At-Risk Communities & the Proposed HUD Rule: A Groundswell of Dissent Against Rescission

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The Responsible AI Lab (RAIL) at the National Fair Housing Alliance (NFHA) analyzed public sentiment regarding the Department of Housing and Urban Development's (HUD) 2026 proposed rule to rescind disparate impact regulations. Leveraging four advanced Large Language Models (LLMs)—DeepSeek-v3, Gemma-3, GPT-OSS, and Llama-4 Maverick—we analyzed 592 available public comments to categorize stakeholder intent and identify potential impacts on vulnerable populations.⁴

The vast majority of submitted comments substantively argue against the 2026 HUD Rule. AI models consistently identified a strong consensus favoring the retention of the 2013 burden-shifting framework over total rescission. Commenters frequently highlighted that the proposed rescission would disproportionately harm specific protected classes, including but not limited to low-income renters, veterans, communities of color and persons with disabilities. Across all four AI models, there was a high degree of confidence in classifying opposition, signaling clear and unambiguous dissent in the public record.

1. Classification Framework

The ground truth classifications for this analysis were derived from a review of four successive HUD regulatory actions on disparate impact under the Fair Housing Act: (i) the 2013 Obama-era rule formalizing the three-step burden-shifting framework; (ii) the 2020 Trump administration rule narrowing plaintiff ability to bring a disparate-impact claim; (iii) the 2023 Biden rule reinstating the 2013 standard, and (iv) the 2026 proposed

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⁴ The docket in shows that 1,109 comments were received at the end of the comment period on February 13th, 2026. Our review encompasses the 592 comments which were publicly available as of February 23rd, 2026. As of May, 2026 HUD has only published 607 of the total comments, the remaining documents are yet to be made public.

rule seeking to rescind all disparate impact regulations entirely. We used this context to create a five-class ground truth label that was used to prompt the four LLMs.

Class	Description
Class A	Comments substantively arguing against the 2026 HUD Rule
Class B	Comments with moderate but not complete support for the 2026 HUD rule change
Class C	Comments substantively supporting the 2026 HUD rule change
Class D	Comments not fitting the above categories but supportive of the Trump administration
Class E	Comments not fitting categories A, B, and C and not supportive of the Trump administration

Table 1: The five classes and their descriptions used to classify comment position on the 2026 HUD rule

2. Key Findings

2.1 Harmed Groups Mentioned

The populations most frequently cited as likely to be harmed or at risk under the proposed rule change include low-income renters, communities of color, persons with disabilities, veterans, and women among others. The models identified the same at risk groups with some minor variations. Gemma, for example, did not mention veterans as a group when all the other models did, and gpt-oss was the only model to highlight religion.

Harmed Groups Mentioned



Figure 2.1: Word clouds of harmed groups frequently mentioned in comment letters

2.2 Average Probability of Classes Across Comment Letters

The chart below shows the average probability across classes in the comment letters across all four AI models. Each request for comment (RFC) is assigned a probability across five distinct classes, totaling 1.0. The class averages are then determined by calculating the mean probability within each category. A higher average probability for a given class indicates that comments are more confidently assigned to that category. For example, a high average for Class A suggests that comments are strongly arguing against the proposed rule change.

These average probabilities are then used to set a classification cutoff for each model. This cutoff represents the minimum level of confidence required for a comment to be assigned to a category. In this analysis, the thresholds were set at 61% for DeepSeek, 50% for Gemma, and 66% for both GPT-OSS and Llama-4.

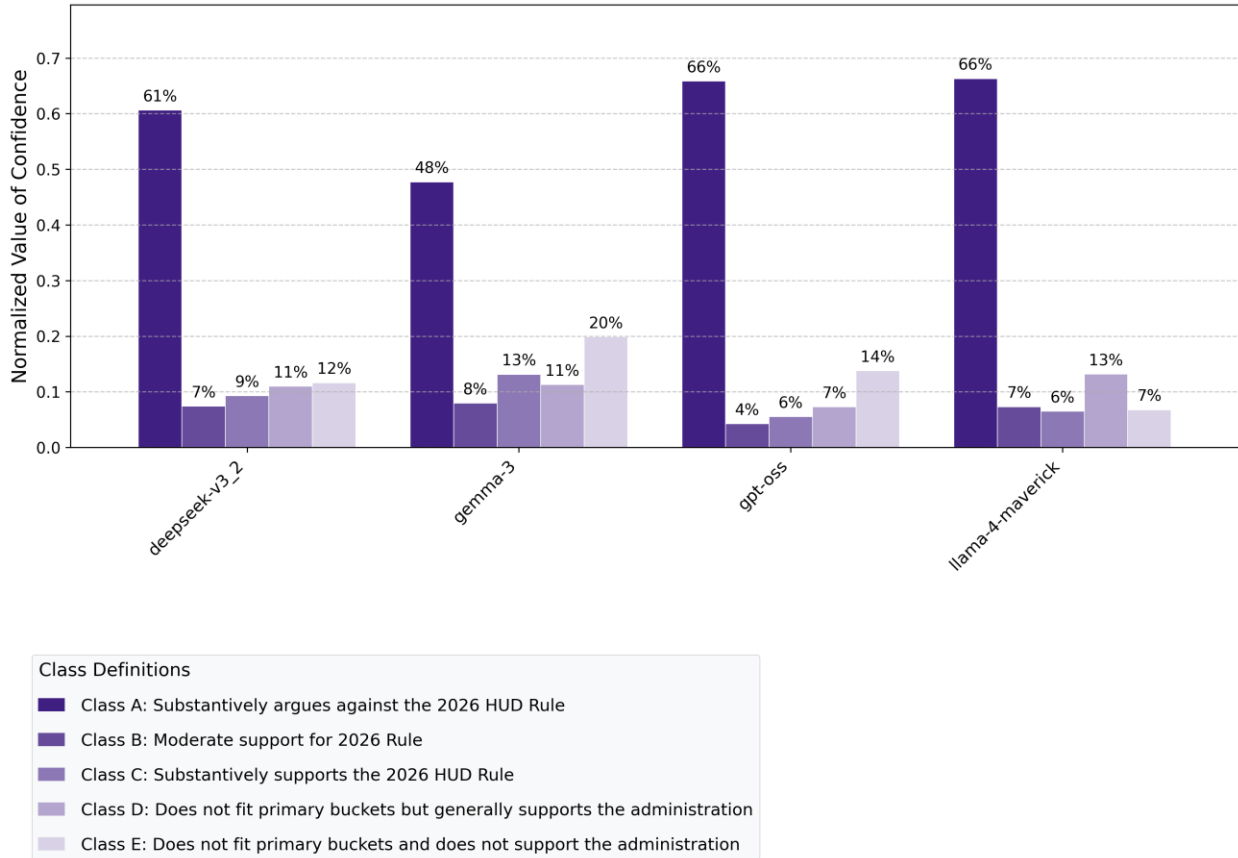


Figure 2.2: Average predicted probability of each class across the comment letters

2.3 Percentage of Comment Letters in Each AI-predicted Class

The chart below illustrates the percentage of comment letters classified into each category, applying model-specific confidence thresholds: 61% for DeepSeek, 50% for Gemma, and 66% each for GPT-OSS and Llama-4. Across models, Class A, which are letters opposing the rule change on substantive grounds was the highest group by far. Notably, very few comments expressed moderate support for the rule; commenters tended to either substantively oppose or support it, reflecting a sharp division in opinion.

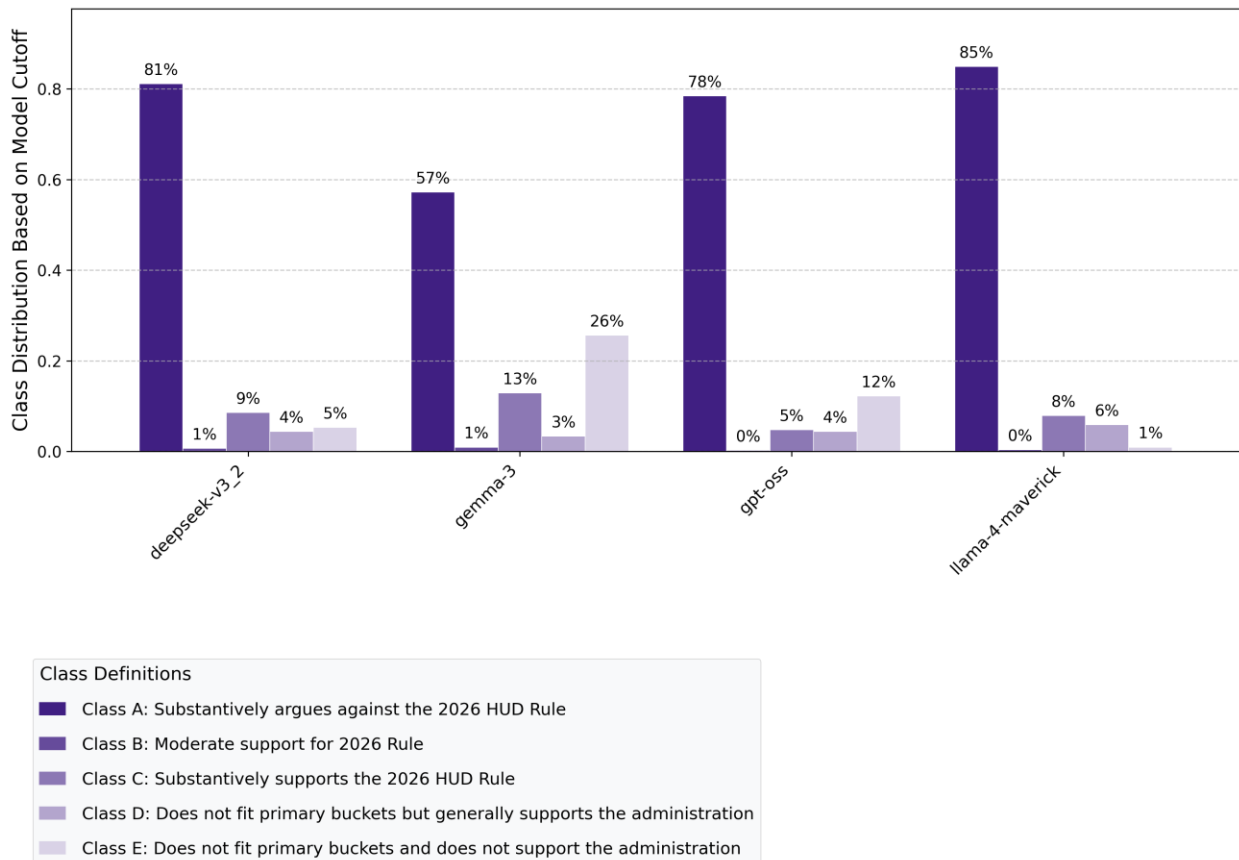


Figure 2.3: Percentage of comments per class after applying model specific thresholds

3. Recommendations and Conclusion

The analysis found that across all models most comments substantively opposed the proposed 2026 HUD Disparate Impact Rule. We urge HUD to:

1. Consider the feedback reflected in the comment letters giving more weight to the majority of the commenters, including fair housing and lending professionals. HUD should refrain from enacting its proposed rule given the significant number of commenters opposed to the rule.
2. Take into consideration potential impacts of any proposed changes to the disparate impact rule on the group's commenters indicated are most likely to be harmed. Commenters mentioned that low-income renters,⁵ communities of

⁵ https://nationalfairhousing.org/wp-content/uploads/2026/02/HUD-DI-Comment-Letter__2026_02_13_FINAL_for-submission.pdf

color,⁶ persons with disabilities,⁷ veterans,⁸ and women⁹ are most likely to be harmed by the new rule.

3. Consider the impact that this rule will have on housing providers, who remain legally required to assess policies for disparate effects even if the regulation is rescinded at the federal level. Ignoring this may leave the industry without clear guidance and risks complicating compliance with fair housing laws.^{10,11}
4. Weigh the comment recommendations proportionally. Refrain from passing the proposed rule and reinstate the previous 2013 promulgated rule which establishes a uniform national standard for testing discriminatory effects that align with Supreme Court and Appellate Court rulings.

The HUD rule appears to be consistent with the Trump administration's agenda to rollback decades-long civil rights protections, notably through the executive order on Disparate Impact,¹² Diversity Equity and Inclusion,¹³ and rule changes at HUD and the CFPB.¹⁴ Considering the findings in this report, we urge HUD to view the overwhelming opposition to the proposed rule as evidence that the American public is largely opposed to the rollbacks. HUD should take into consideration the vast majority of substantive feedback submitted in open comment periods and enact policies which protect the public rather than leaving communities and individuals exposed to discrimination.

⁶ <https://naahq.org/sites/default/files/2026-02/2026%20NAA%20NMHC%20Comments%20on%20HUD%20Disparate%20Rule.pdf>

⁷ <https://www.housingpartnership.net/files/HUD-Disparate-Impact-Reply.pdf>

⁸ https://illinoisattorneygeneral.gov/News-Room/Current-News/2026.02.11%20Multistate%20HUD-FHA%20Discriminatory%20Effects%20Comment_.pdf?language_id=1

⁹ <https://nwlrc.org/resource/gender-justice-and-survivor-advocacy-organizations-oppose-rollback-of-hud-disparate-impact-standards/>

¹⁰ <https://www.nahro.org/wp-content/uploads/2026/02/NAHRO-Disparate-Impact-Comment-Letter-final.pdf>

¹¹ <https://www.aclu.org/documents/aclu-and-impact-fund-comment-opposing-2026-huds-proposed-rescission-of-disparate-impact-rule>

¹² <https://www.whitehouse.gov/presidential-actions/2025/04/restoring-equality-of-opportunity-and-meritocracy/>

¹³ <https://www.whitehouse.gov/presidential-actions/2025/01/ending-radical-and-wasteful-government-dei-programs-and-preferencing/>

¹⁴ <https://public-inspection.federalregister.gov/2026-07804.pdf>