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This update reflects facts as of Tuesday morning, May 26, 2026. The situation is fluid and may change.

The most pressing legislative matters before Congress stalled last week, heading into this week's Memorial Day recess. Planned Senate action on the pending reconciliation bill to fund the remainder of the Department of Homeland Security was thwarted following disputes over additional funding and related administration proposals. And Congress continues to search for a viable formula to extend a key provision of the Foreign Intelligence Surveillance Act. The House did pass overwhelmingly a version of housing legislation with an affordability theme, but one that differed significantly from the Senate version of the legislation, further delaying final passage. The Senate narrowly passed an Iran war powers resolution, setting up another vote in the House when Congress returns next week.

Reconciliation legislation. Senate Republicans are making use of budget reconciliation to avoid the need for a 60-vote majority because Democrats continue to object to additional funding for Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) without immigration enforcement reforms. The Senate seemed ready last week to pass a reconciliation bill to fund ICE and CBP for three more years. But the addition of \$1 billion in funding in connection with the President's planned ballroom and White House security complex, and the announcement by the Department of Justice (DOJ) of a \$1.8 billion fund, described as an "anti-weaponization" fund, stalled the bill.

It was unclear whether there was sufficient Republican support to pass the bill with the ballroom funding, given the narrow majority in the Senate and lack of any Democratic support. That problem seemed to have been solved, however, when the Senate Parliamentarian reportedly advised the Republican leadership that most or all of the White House construction funding violated the rules of budget reconciliation. Then, the DOJ announced settlement of the President's \$10 billion claim against the Internal Revenue Service over disclosure of his tax returns.

According to public descriptions of the settlement, the fund would be used to resolve claims related to alleged unfair government investigations and prosecutions. Some Senate Republicans raised questions about the fund's governance, eligibility standards, and potential tax-related effects for the President and his family businesses.

FISA extension. FISA section 702 provides for warrantless surveillance of foreign persons. It remains controversial because that surveillance may also ensnare U.S. citizens. The President has requested a simple extension, but serious concerns have been raised on both sides of the aisle. Congress continues to struggle to find a solution that can pass both houses.

Time is running out. A short-term extension expires on June 12. Negotiations have been complicated now by the continuing controversy over the reconciliation bill.

Housing legislation. Affordability is a major campaign theme as the November elections approach, no less about housing. Congress is anxious to pass the pending bill, the 21st Century ROAD to Housing Act, which includes dozens of regulatory and financing reforms. The House passed the first version in February with an overwhelming bipartisan majority. The Senate passed its version in March, also with a large bipartisan majority.

The Senate bill, however, differed significantly from that of the House. It modified or removed several House provisions. It also added some new ones, including one that limits institutional ownership of single-family dwellings (SFDs). The Senate and the President pressed the House to act quickly to pass the Senate version, but the House declined.

Instead, the House passed a new version by a 396-13 vote. Among other things, it modified the Senate's limits on institutional ownership of SFDs significantly, particularly limits on so-called build-to-rent operations. Several Senators have raised objections to those and other changes made by the House, so it is unclear whether the Senate will seek further changes.

It does appear, however, that housing legislation is advancing toward passage. With large bipartisan support by both parties, keen to address housing affordability, ultimate passage seems likely.

War powers resolutions. Resolutions to require Congressional authorization for further military action against Iran have become a weekly event. They took a new turn before the recess last week, when the Senate narrowly passed a resolution, 50-47, after some Republicans changed their position. The House adjourned before voting on the resolution, leaving the issue for consideration after Congress returns. The President can veto a war powers resolution, which seems likely if one passes. And there clearly is not a two-thirds majority to overcome a veto. Passage would, however, add political pressure to seek a resolution to the conflict. Congressional Democrats have announced an intention to keep presenting resolutions, which are privileged, meaning a vote is required.

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