



U.S. Department of Housing and Urban Development
Washington, D.C. 20410

CHIEF PROCUREMENT OFFICER

Class Deviation for the Federal Acquisition Regulation (FAR) Part 49 in Support of Executive Order 14275, Restoring Common Sense to Federal Procurement

- 1. Purpose.** This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) Part 49 for purposes of implementing the Federal Acquisition Regulatory Council's (the Council's) model deviation text to FAR part 49.
- 2. Background.** [Executive Order \(E.O.\) 14275, Restoring Common Sense to Federal Procurement](#), signed April 15, 2025, mandates a comprehensive review and simplification of the FAR.

The FAR is being updated to:

- Eliminate non-statutory language
- Remove redundant or obsolete language
- Enhance clarity through plain language
- Align with the new FAR framework
- Preserve essential governmentwide acquisition standards

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative. This initiative will make the FAR more concise, understandable, and focused on core procurement requirements.

- 3. Summary of Changes.** FAR part 49, Termination of Contracts, has been updated for clarity and usability.

Statutory requirements retained in the RFO FAR part 49 model deviation include, but may not be limited to, the following:

- 31 U.S.C. § 3729, False Claims
- 41 U.S.C. §§ 7101 et seq (Pub. L. 95-563), The Contract Disputes Act of 1978

Change	Description
Retained	<ul style="list-style-type: none">● Section 49.000, “Scope of Part”, is simplified and retains the core scope of establishing policies and procedures for terminating contracts early.● Section 49.001, “Definitions”, is retained and updated for plain language.● Section 49.002, “Applicability”, is retained and updated for plain language with a simpler structure.● Subparts 49.1, 49.2, 49.3, 49.4, 49.5, 49.6 and the sections therein, remain mostly intact and are streamlined with some shifting and reorganizing of sections and subsections throughout.● All existing clauses are retained (or remain reserved if previously reserved) with no changes to the text.

Removed	<ul style="list-style-type: none"> Plain language edits were made throughout to enhance readability and remove redundant, unclear, or non-essential language, decreasing the word count by more than 2,500 words. Subsection 49.108-7 “Government assistance in settling subcontracts”, Section 49.113 “Cost principles”, and Section 49.405 “Completion by another contractor” have been removed and may be moved to non-regulatory content.
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This table is not an exhaustive list.

4. Instructions.

- The HUD acquisition workforce must follow the RFO part 49 instead of FAR part 49 as codified at 48 CFR Chapter 1. The Council’s RFO part 49 model deviation text is available at Acquisition.gov/far-overhaul, and is incorporated into this class deviation.
- Review templates and related standard operating procedures to align with this deviation and remove unnecessary processes and steps.

5. Applicability. This class deviation applies to all HUD procurements.

6. Authority. This class deviation is issued under the authority of EO 14275, [OMB Memo M-25-26](#), 48 CFR 1.4, and RFO FAR 1.304.

7. Effective Date. This class deviation is effective November 03, 2025, and remains in effect until rescinded or incorporated into the FAR.

8. Points of Contact. Questions regarding this class deviation may be directed to Mrs. Tabitha Paison-McLeod, Sr. Procurement Analyst, Procurement Policy and Systems Division, at 202-402-5680 or Tabitha.M.Paison-McLeod@hud.gov.

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