

# Build America, Buy America Act: Manufactured Products Waiver Expiring



## What You Need to Know

The Manufactured Products waiver ends for grants obligated after September 30, 2026.

## BABA Background

The Build America, Buy America Act (BABA) includes a Buy America Preference (BAP) requiring that the iron, steel, manufactured products, and construction materials used in federally funded infrastructure projects be produced in the United States.

In January 2025, HUD, together with seven other federal agencies, finalized a public-interest waiver for Tribes. That waiver has two parts:

- A five-year waiver for HUD awards and subawards at or below \$2.5 million (in effect through January 9, 2030).
- A temporary manufactured products waiver that lets Tribal recipients buy non-compliant manufactured products regardless of the award amount — but only for grant funds obligated on or before September 30, 2026.

This flyer discusses the expiration of the temporary manufactured products waiver.

The initial impact of the manufactured products waiver expiration will be on infrastructure projects funded by Indian Housing Block Grant (IHBG) or Indian Community Development Block Grant (ICDBG) awards over \$2.5 million that were obligated on or after October 1, 2026 such as:

- » FY 2027 IHBG formula
- » FY 2026 ICDBG and IHBG Comp (if appropriated)

## What's Changing After September 30, 2026?

The manufactured products waiver goes away for newly obligated funds. What remains in place:

| Situation                                     | Before 9/30/2026                                          | On or after 10/1/2026                                                                                          |
|-----------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Award or subaward ≤ \$2.5 million             | Exempt from BABA                                          | Still exempt — the \$2.5M waiver continues through 1/9/2030                                                    |
| Manufactured products - award > \$2.5 million | Non-compliant products allowed under the temporary waiver | Buy America Preference applies — products must be domestically manufactured, or you need to apply for a waiver |

Manufactured products, along with iron and steel and construction materials, continue to be exempt from the BAP when purchased with award funds at or below \$2.5 million. Starting October 1, 2026, manufactured products purchased with award funds over \$2.5 million must be BAP-compliant, the same as iron, steel, and construction materials already are.

## What Is a “Manufactured Product”?

Under [2 CFR 184.3](#), a manufactured product is an article, material, or supply that has been processed into a specific form and shape, or combined with other articles, materials, or supplies to create a product with different properties than its individual parts. In short, they are products combined from raw materials or that consist of multiple components.

| Examples of Manufactured Products                                                                                                                                                                                                                                                                    | Not Manufactured Products                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>✓ Insulation (combined materials)</li><li>✓ Electrical devices, switches, panels</li><li>✓ Packaged HVAC units, air handlers</li><li>✓ Pre-cast concrete</li><li>✓ Window made of combined components</li><li>✓ Brick made of combined raw materials</li></ul> | <ul style="list-style-type: none"><li>✗ Metal studs – iron/steel category</li><li>✗ Loose stone, sand, gravel</li><li>✗ Temporary tools/equipment removed after project</li></ul> <p><i><b>It is important to note that construction materials and cementitious products are <u>not manufactured products</u>.</b></i></p> |

## Is My Manufactured Product Compliant with the BAP?

1. Is the product manufactured in the USA? **AND**
  2. Is the **cost** of the components of the Manufactured Product that are mined, produced, or manufactured in the United States greater than 55% of the total cost of all its components (unless another standard that meets or exceeds this standard has been established under applicable law or regulation)?
- ☐ **If the answer to both questions is YES, then the manufactured product is “Made in America” and the BAP-compliant.**

### KEY TAKEAWAYS:

- The manufactured products waiver applies to products purchased with grant funds obligated through September 30, 2026.
- Manufactured products purchased with grant awards over \$2.5 million that are obligated on or after October 1, 2026, are subject to the BAP.
- Recipients, not manufacturers, are ultimately responsible for determining whether a product is subject to BAP.

## What Do I Do Next?

- Review upcoming IHBG/ICDBG projects over \$2.5 million and check planned obligation dates.
- Build the BAP compliance review into procurement planning for manufactured products.

## Resources

### **BABA for Tribal Recipients Resource Page**

<https://www.hudexchange.info/programs/baba/tribal-recipients>

### **8 Tribal Waiver Agencies — Multi-Agency Tribal Public Interest Waiver**

<https://www.epa.gov/system/files/documents/2025-01/multi-agency-tribal-public-interest-waiver-final.pdf>