

May 29, 2024

The Honorable Sandra Thompson
Director
Federal Housing Finance Agency (FHFA)
Tenth Floor, 400 Seventh Street SW
Washington, D.C. 20219

Dear Director Thompson,

The 125 undersigned affordable housing, consumer, health, energy efficiency, environmental, business, and other organizations at the national, state, and local levels urge the FHFA to direct the Government Sponsored Enterprises, Fannie Mae and Freddie Mac, to join the Department of Housing and Urban Development (HUD) and the Department of Agriculture (USDA) in requiring that all new homes with mortgages backed by the Enterprises meet updated building energy code requirements.

Requiring new homes to meet the 2021 International Energy Conservation Code (IECC), for single-family and low-rise multifamily, or ANSI/ASHRAE/IES Standard 90.1-2019, for medium- and high-rise multifamily housing—would reduce overall housing costs for homeowners and renters, provide them with healthier and more climate-resilient homes, lower risks to the housing finance system, and create consistent energy requirements across federally supported mortgage financing. HUD and USDA [finalized their determination](#) to adopt updated building energy codes for new homes on April 25th, and in their revised analysis [found](#) an average of more than \$15,000 life-cycle cost savings for single-family homes and roughly \$6,000 per multifamily unit compared to their current requirements.

Home energy standards deliver savings to residents. Utilities are one of the highest monthly cost burdens, especially for low-income residents. Black, Hispanic, and Native American households are disproportionately impacted by these costs due to systemic inequalities and face [higher energy burdens](#) and rates of [energy insecurity](#). As climate change increases the frequency of extreme temperatures, electricity demand and therefore energy costs for many homes are [expected to rise](#). HUD and USDA found the codes would save an average of almost \$1,000 in single-family home energy bills each year.

Home energy standards improve resident health. Up-to-date energy codes yield healthier indoor air quality and more comfortable homes. [Reduced exposure](#) to indoor and outdoor air pollutants and mold in homes can lessen [detrimental health effects](#) including increased risk of heart disease and heart attacks, stroke, COPD, lung cancer, type 2 diabetes, [lower-respiratory infections, and childhood asthma](#).

Home energy standards increase household resilience to climate-driven risks and reduce emissions. Building energy codes increase resilience by allowing residents to safely [stay in their homes](#) for far longer during extreme heat or cold events that may disrupt power, as well as by avoiding moisture and mold damage. Homes built to the newest energy codes also greatly [reduce](#) greenhouse gas emissions.

Home energy standards reduce risk to the Enterprises. By lowering overall monthly costs, improved energy codes increase the ability of borrowers to make mortgage payments. [Freddie Mac](#) found that delinquency rates for high debt-to-income ratio loans were lower for homes with higher energy efficiency ratings. The [University of North Carolina](#) found a much larger impact during a period of market turbulence and high delinquencies. As climate change increases energy demand and threats to homes, the codes will help combat energy costs and increase resilience, which can reduce significant financial risks and enhance stability across the Enterprises' portfolios.

Consistency between the agencies will improve effectiveness and reduce risk. Consistent requirements between FHFA, HUD, USDA, and the Department of Veterans Affairs (VA)—along with multiple states and cities that [already require](#) the codes—would create a norm for new construction, especially housing aimed at low- and moderate-income home buyers, and would also facilitate and improve compliance. Together, these requirements would apply to roughly 70% of new homes built each year.

The undersigned urge FHFA to act now to require the 2021 IECC and Standard 90.1-2019 for new homes that secure Enterprise mortgages in conjunction with HUD and USDA's recent determination. With the adoption of minimum energy requirements, low- and moderate-income households will not be saddled with decades of energy waste, high utility bills, and poor resilience, and will instead have healthier homes they can afford to live in long-term.

We look forward to supporting FHFA as it continues to deliver on its mission to safeguard housing finance and community investment in the face of growing climate-driven risks.

Sincerely,

Action for the Climate Emergency (ACE)
Allendale County ALIVE
Alliance of Nurses for Healthy Environments
American Council for an Energy-Efficient Economy (ACEEE)
American Lung Association
Americans for Financial Reform Education Fund
ARCH Community Health Coalition
ASHRAE
Bread of Life CDC of La
Brunswick County Habitat

Building Electrification Institute
CASA of Oregon
cdcb | come dream. come build.
Center for Responsible Lending
Ceres
Change the Chamber*Lobby for Climate
Chesapeake Climate Action Network
Climate Action California
Climate and Community Project
Climate Equity Working Group
Climate Mayors - Kate Wright, Executive Director
Climate Psychiatry Alliance
Climate Stick Project
Collaborating Voices Foundation
Common Roots
Community Ventures
Connecticut Citizen Action Group
Consumer Action
Consumer Federation of America
Consumer Watchdog
Damascus Outreach Association Inc
Dance With Todd Inc
Dandelion Energy
Earth Advantage
Earth Ethics. Inc
Earthjustice
ENERSTRUCTA
Enterprise Community Partners
Ethical Capital Investment Collaborative
Evergreen Action
E2
Family Resources of New Orleans
Fauquier Habitat for Humanity
Frontier Housing Corporation
Full Spectrum Labs
Gary E. Hanes & Associates, LLC
Green & Healthy Homes Initiative
Green America
Green Builder® Coalition
Green Projects Group
Habitat for Humanity of Bulloch County
Habitat for Humanity of Wisconsin River Area
Heart House Inc.
Highland Community Builders

Homes and Hope Community Land Trust
Housing Assistance Council
Housing Development Alliance, Inc.
Housing Options & Planning Enterprises, Inc.
Housing Sustainability Advisors
Institute for Market Transformation
Integrated Community Solutions, Inc
Intentional Endowments Network
Interfaith Housing and Community Services
ISAIAH (MN)
Just Solutions
League of Conservation Voters
Lincoln Institute of Land Policy
Local Initiatives Support Corporation
Maine People's Alliance
MHP
MICAH- Metropolitan Interfaith Council on Affordable Housing
Michigan Climate Action Network
Michigan Energy Efficiency Contractors Association (MEECA)
Michigan Environmental Council
Mid-Missouri Peaceworks
Midwest Energy Efficiency Alliance
MSCCH
National Community Reinvestment Coalition - NCRC
National Consumer Law Center (on behalf of its low-income clients)
National Electrical Manufacturers Association
National Environmental Health Association
National Housing Law Project
National NeighborWorks Association
Network for Oregon Affordable Housing
New York Geothermal Energy Organization
Next Step Network
North American Insulation Manufacturers Association
Northwest Kansas Housing, Inc.
NRDC (Natural Resources Defense Council)
Our Spring Lake Store, LLC
Oxfam America
PathStone Corporation
Pennsylvania Utility Law Project
Physicians for Social Responsibility
Prelude Coast Construction
Public Citizen
Rebuilding Together Henry County
Regional Housing Legal Services

Revolving Door Project
Rewiring America
Rise Economy
RMI
Rural Housing Opportunities Corp.
San Francisco Bay Physicians for Social Responsibility
San Joaquin Valley Housing Collaborative
Santa Cruz Climate Action Network
SEEDS Ecology and Education Centers
Seventh Generation Interfaith Coalition for Responsible Investment
Sierra Club
Sisters of St. Francis Dubuque, IA
South Carolina Appleseed Legal Justice Center
Southside Community Development & Housing Corporation
Southwest Energy Efficiency Project
The Center for New York City Neighborhoods, Inc.
The Housing Assistance Corporation
The People's Justice Council
The Phoenix Group
THIS! Is What We Did
Under Gods Care Inc
U.S. Green Building Council
U.S. PIRG
"We Are Your Neighbors" Speakers Bureau
ZeroCarbonMA
350Hawaii
350 Yakima Climate Action

Individuals

Barbara Villarreal, First Time Homeowner
Campbell Howe
JEANNE V SHAW, CONSULTANT