## Congress of the United States Washington, DC 20515

June 11, 2024

The Honorable Adrianne Todman Acting Secretary U.S. Department of Housing and Urban Development 451 7th Street, S.W. Washington, DC 20410 The Honorable Thomas J. Vilsack Secretary U.S. Department of Agriculture 1400 Independence Ave, SW Washington, DC 20250

Dear Acting Secretary Todman and Secretary Vilsack,

We write to express our serious concerns regarding the U.S. Department of Housing and Urban Development's (HUD's) and U.S. Department of Agriculture's (USDA's) final determination that will require all HUD- and USDA-financed new single-family construction housing to be built to the 2021 International Energy Conservation Code (IECC) and HUD-financed multifamily housing be built to 2021 International Energy Conservation Code (IECC) or ASHRAE 90.1-2019.<sup>1</sup>

The initiative will require all homes financed using FHA, USDA, and indirectly VA loans to be built in compliance with the published 2021 Energy Code, which will limit access to mortgage financing while providing little benefit to new home buyers and renters. Without sufficient review and consideration of its impact, HUD and USDA have swiftly implemented a mandate that is poised to worsen the housing affordability crisis and have adverse effects on the nation's most vulnerable home seekers and renters.<sup>2</sup> Several studies have already demonstrated that building to the 2021 IECC can add up to \$31,000 to the price of a new home and take up to 90 years for a home buyer to realize a payback on the added cost of the home. This unreasonable trade-off for a new home buyer will do little to offer meaningful energy savings for residential homes and apartments and will in fact make older, less efficient homes more attractive.

This ill-conceived policy will also act as a deterrent to new construction at a time when the nation desperately needs to boost its housing supply to lower shelter inflation costs.<sup>3</sup> Moreover, it is in direct conflict with existing energy codes across the country. States like Tennessee have recently approved uniform building code ceilings for energy and insulation; currently, all new homes built in the Volunteer State must meet the minimum requirements of the published 2018 Energy Code and the 2009 Insulation Code. Numerous stakeholders have indicated that these

<sup>&</sup>lt;sup>1</sup> <u>Federal Register :: Final Determination: Adoption of Energy Efficiency Standards for New Construction of HUD-and USDA-Financed Housing</u>

<sup>&</sup>lt;sup>2</sup> New Energy Codes Mandate a Blow to Housing Affordability | NAHB

requirements are fair and acceptable; adopting the 2021 Energy Code, however, would impose a host of logistical, compliance, and implementation challenges.

If this is enacted, the results will be catastrophic for home builders in the United States whose buyers use FHA, USDA, and indirectly VA loans for their financing. We urge you to withdraw this determination and refrain from engaging in other initiatives that will curb new construction and harm housing affordability nationwide.

Sincerely,

Andy Ogles

Member of Congress

Warren Davidson Member of Congress

ales X. Mooney

Alex X. Mooney Member of Congress Ralph Norman Member of Congress

Kole Norman

Byron Donalds Member of Congress John Rose Member of Congress

Dan Meuser

Member of Congress

Monica De La Cruz Member of Congress Roger Feinnis

Roger Williams Member of Congress