

# United States Senate

WASHINGTON, DC 20510

December 19, 2022

The Honorable Marcia L. Fudge  
Secretary  
U.S. Department of Housing & Urban Development  
451 7th Street SW  
Washington, DC 20410

The Honorable Tom Vilsack  
Secretary  
U.S. Department of Agriculture  
1400 Independence Avenue, S.W.  
Washington, DC 20250

The Honorable Shalanda D. Young  
Director  
Office of Management and Budget  
725 17th Street N.W.  
Washington, D.C. 20503

Dear Secretary Fudge, Secretary Vilsack and Director Young:

We write to thank the Department of Housing and Urban Development (HUD) and U.S. Department of Agriculture (USDA) for taking a critical step to save families money on energy costs and reducing carbon emissions by advancing a determination on updating energy efficiency standards for a wide range of federally backed homes. We also urge the Office of Management and Budget (OMB) to take swift action on this important determination, which is a critical step towards reducing energy cost burdens for low- and moderate-income households in federally supported housing while also creating jobs and cutting emissions.

We are grateful for the steps that the administration has taken to reduce energy costs for low- and moderate-income families.

Unfortunately, federally backed homes are currently required to meet only the 2009 International Energy Conservation Code (IECC)/American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) 90.1-2007 standards, which allows for new homes receiving federal support to be built with outdated energy performance. This is despite that fact that the IECC has been updated in 2012, 2015, 2018 and 2021, and the agencies are required by law to update the applicable standard with each new version. Homes built to these outdated standards will be in use for decades, generating excess greenhouse gas emissions and burdening low- and moderate-income households with unnecessarily high energy costs from wasted energy.

Updating the standards would ensure that new homes are built with measures that lower energy bills and make homes more comfortable, such as insulation, lighting, and heating and cooling equipment.

The homes under HUD and USDA that would benefit from these energy standards include new homes purchased with Federal Housing Administration (FHA) mortgages and new homes with funding from federal programs such as HOME Investment Partnerships grants. An assessment by American Council for an Energy Efficient Economy (ACEEE) found that updated energy efficiency standards for homes backed by FHA, USDA, and Department of Veterans Affairs (VA) would save \$2,800 in energy costs for a household and yield more than \$5,700 in net savings when including other benefits such as improved health outcomes for the average household in a federally supported single-family home.<sup>1</sup> An estimated 5.8 million new homes will receive federal loans or grants by 2050 through FHA, USDA, or VA. These homes make up about 20% of all new single-family residences and one-eighth of new units in multi-family buildings and would primarily benefit low- and moderate-income households.

The Department of Energy issued its determination on July 28, 2021, stating that the 2021 IECC standards will improve energy efficiency in residential buildings. HUD and USDA submitted their draft determination to OMB on August 19, 2022, which should bring new federally supported homes much closer to meeting energy efficiency standards that will save families money, and make them more comfortable in their homes, while meaningfully reducing carbon emissions. Now, we strongly urge OMB to swiftly act on this determination.

Thank you for your consideration.

Sincerely,



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Jeanne Shaheen  
United States Senator



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Rob Portman  
United States Senator

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<sup>1</sup> [https://www.aceee.org/sites/default/files/pdfs/federally\\_supported\\_housing\\_5-25-22.pdf](https://www.aceee.org/sites/default/files/pdfs/federally_supported_housing_5-25-22.pdf)