

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