



FHA INFO 2024-23

April 26, 2024

HUD and USDA Issue Final Determination on Energy Efficiency Standards for New Construction

Today, the Department of Housing and Urban Development's (HUD) Office of Environment and Energy (OEE) and the U.S. Department of Agriculture (USDA) published a Notice of Final Determination, *Adoption of Energy Efficiency Standards for New Construction of HUD- and USDA-Financed Housing*, [[Docket No. FR-6271-N-03](#)] in the *Federal Register*. This final determination fulfills a statutory requirement under the [Energy Independence and Security Act of 2007 \(EISA\)](#) that requires HUD and USDA to jointly adopt the most recently published energy efficiency standards for single family and multifamily homes, subject to an energy efficiency determination by the U.S. Department of Energy (DOE) and a cost-benefit housing "affordability and availability" test by HUD.

This final determination follows HUD and the USDA's preliminary determination published on May 18, 2023. At the time the preliminary determination was developed, the most recent standards that DOE determined to be energy efficient were those promulgated by the [American Society of Heating, Refrigerating and Air-Conditioning Engineers \(ASHRAE\)](#), and the [International Energy Conservation Code \(IECC\)](#).

The updated energy standards will lower energy costs for owners of newly-constructed homes, benefitting homeowners, FHA, and communities. HUD expects this to be particularly beneficial for low-income and rural homeowners who typically face disproportionately high energy cost burdens.

Compliance dates for this final determination vary according to program type and will follow the implementation schedule described in Section VI of the notice. For FHA-insured Single-Family programs, the 2021 IECC will be applicable to new construction where building permit applications are submitted on or after the date that is eighteen months from the Notice's effective date. For new construction occurring in persistent poverty rural areas, as defined by [USDA Economic Research Service](#), the 2021 IECC will be applicable no later than 24 months after the Notice's effective date. USDA will publish a map of rural areas covered by this extension no later than 30 days after the effective date of this notice.

FHA will publish additional guidance in a Mortgagee Letter as it relates to implementing the provisions of the Final Determination for its Single-Family programs in advance of the effective date.

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- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
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- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

About FHA INFO

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