

National Association of Home Builders

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May 5, 2010

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

Key Vote

Dear Speaker Pelosi:

On behalf of the 175,000 members of the National Association of Home Builders (NAHB), I am writing to express our support for the Home Star Energy Retrofit Act of 2010 (H.R. 5019). H.R. 5019 will help homeowners improve the energy efficiency of older homes, while also creating new jobs in the struggling construction industry. **Because of the importance of this issue to the housing industry, NAHB has designated support for this bill as a Key Vote.**

H.R. 5019 authorizes a program to provide homeowners with up to \$8,000 to retrofit existing homes for greater energy efficiency. NAHB believes that incentivizing existing homeowners to upgrade their home energy efficiency is the most effective way to reduce energy use in the residential sector. Homes built before 1991—before modern energy codes were commonplace—use 17.1 percent of all energy produced in this country. Energy building codes for new homes have become much more stringent, and the latest code, the 2009 IECC, is about 20% more efficient than the 2006 code; and the upcoming 2012 code is 30% more efficient than the 2006. As new residential construction is increasingly energy efficient, it is critical that Congress focus on opportunities in the entire residential sector to reduce energy usage.

H.R. 5019 will also provide a much needed boost to the construction industry. The unemployment rate in the construction industry hovered at just under 25 percent in March. Recent experience indicates that the stimulative effect of retrofit incentives is likely to exceed the amount of the incentive itself. For example, in Minnesota, a program funded under the *American Recovery and Reinvestment Act* provided existing homeowners an average rebate of \$2,300 for energy efficiency upgrades. Data showed that the rebate spurred homeowners to invest significantly more, with average remodeling costs of \$10,800. In this instance, the incentives to upgrade spurred a significantly larger economic benefit, providing a lift not only to the construction industry, but to the economy as a whole. NAHB applauds the inclusion of the Home Builders Institute (HBI) as a certified workforce program under Home Star. Training in weatherization and retrofit work through the HBI program will deliver career-path skills to targeted workers in the burgeoning retrofit industry that will extend beyond the short-term incentives of the program itself.

NAHB is committed to improving our nation's building energy efficiency, saving money for American families and creating jobs for our economy. The Home Star Energy Retrofit Act of 2010 is a leap in the right direction. NAHB urges you to support H.R. 5019. **Again, because of the importance of this issue to the housing industry, NAHB has designated support for this bill as a Key Vote.**

Best regards,

A handwritten signature in black ink, appearing to read "J. Stanton". The signature is fluid and cursive, with a large initial "J" and "S".

Joseph Stanton
Senior Vice President and Chief Lobbyist
Government Affairs