

September 12, 2011

The Honorable Harry Reid
United States Senate
United States Capitol, S-221
Washington, DC 20510

The Honorable Mitch McConnell
United States Senate
United States Capitol, S-208
Washington, DC 20510

Dear Majority Leader Reid and Minority Leader McConnell:

On behalf of the undersigned associations, we are writing to respectfully underscore the importance of a long-term reauthorization of the National Flood Insurance Program (NFIP). On September 30, 2011, the NFIP authorization will expire. We urge the Senate to move quickly to reauthorize the NFIP to avoid a costly lapse in the program.

More than 5.6 million policyholders in 21,000 communities nationwide depend on the NFIP as their main source of protection against flooding, the most common natural disaster in the United States. Without flood insurance, many residential and commercial real estate transactions in FEMA-designated floodplains across the country will come to a complete stop, as federally backed mortgage loans cannot legally be secured without this critical protection.

The federal government currently collects more than \$3.34 billion annually from flood insurance policyholders. If Congress fails to reauthorize the NFIP those premiums will be lost and post-disaster relief will be far more expensive.

Hurricane Irene caused significant flooding from North Carolina to Maine. It followed more than one hundred natural catastrophe events that have already impacted our nation this year, and we have entered the peak of the hurricane season. Failure to reauthorize the NFIP would further stress already struggling real estate markets, potentially cost the government billions of dollars in uncompensated relief efforts, and put millions of consumers at risk.

Earlier this summer, the House of Representatives passed a bi-partisan measure, H.R. 1309 by a vote of 406-22. On September 9, 2011, the Senate Banking committee unanimously approved its version of the 5-year bill. Clearly, the Congress recognizes the need for and is moving expeditiously toward long-term reauthorization and reform of the NFIP. However, America cannot afford another lapse of the program in the interim; the last one, during June 2010, stalled more than 47,000 home sales and another could stall 1,300 more each day.

The NFIP is critically important to Americans and the U.S. economy. We urge Senate action now to reauthorize this program and avoid the costly consequences that would result in a lapse from failure to act.

Sincerely,

American Bankers Association
American Bankers Insurance Association
American Hotel and Lodging Association
American Insurance Association
American Resort Development Association
Chamber Southwest LA
Commercial Real Estate Development Association
Consumer Bankers Association
Council of Insurance Agents and Brokers
Credit Union National Association
The Financial Services Roundtable
Independent Community Bankers of America

International Council of Shopping Centers
Independent Insurance Agents and Brokers of America
Mortgage Bankers Association
National Association of Federal Credit Unions
National Association of Home Builders
National Association of Mutual Insurance Companies
National Association of REALTORS®
National Apartment Association
National Multi-Housing Council
National Ready Mixed Concrete Association
Property Casualty Insurers Association of America
Risk and Insurance Management Society, Inc.