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October 18, 2011

The Honorable Harry Reid
Majority Leader
United States Senate
522 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

Dear Majority Leader Reid and Minority Leader McConnell:

The National Association of REALTORS® respectfully requests the Senate immediately take up the Flood Insurance Reform Act, to reauthorize the National Flood Insurance Program (NFIP) through September 30, 2016. The House passed H.R. 1309 by a vote of 406-22 on July 12, 2011. On September 9, 2011, the Senate Banking Committee marked up its version of a 5-year reform bill.

More than 5.6 million policyholders in 21,000 communities nationwide depend on the NFIP as the main source of protection against flood damage, the most common and costly natural disaster in the United States. Without flood insurance, real estate transactions in federally-designated floodplains across the country would come to a complete stop, as federally backed mortgage loans cannot legally be secured without this critical protection. Moreover, property owners with existing mortgages requiring flood insurance would not be able to renew their policies, risking mortgage default. While there is a grace period for these policies, which would expire after 30 days into a lapse, according to FEMA, an average of 17,400 policies comes due for renewal daily.

Hurricane Irene caused significant inland 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 now have entered the peak of the hurricane season. Failure to reauthorize the NFIP would further stress already struggling real estate markets, potentially cost the federal government billions of dollars in uncompensated disaster relief efforts, and put millions of consumers at risk.

A long-term extension is vital to provide needed certainty to the homeowners and small businesses that depend on the program for flood damage protection and to protect our real estate markets from serious harm during a very difficult economic time. America cannot afford for this vital program to get bogged down over unrelated matters. The last lapse of the NFIP, during June of 2010, stalled 47,000 home sales and another lapse could stall 1,300 more each day.

We respectfully request that you act now and pass the 5-year Flood Insurance Reform Act. Homeowners and businesses across the country simply cannot wait.

Sincerely,

Ron Phipps, ABR, CRS, GRI, GREEN, e-PRO, SFR
2011 President, National Association of REALTORS®

cc: Members, United States Senate



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