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March 24, 2014

The Honorable Susan Brooks
Chairwoman
House Subcommittee on Emergency Preparedness, Response, and Communications
1505 Longworth House Office Building
Washington, DC 20515

Dear Chairwoman Brooks:

Thank you for holding this important hearing on the Federal Emergency Management Agency's 2015 budget request. REALTORS® believe this is a critical and timely opportunity to learn more about FEMA's plans for implementing recently enacted flood insurance legislation.

As enacted, the Homeowner Flood Insurance Affordability Act (HR 3370) would resolve most of the unintended consequences of Biggert-Waters implementation. However, the effectiveness of this new law will depend on FEMA's ability to take quick action on a number of provisions:

- 1) Assumption of Current Policies/Rates. The law was designed to provide immediate rate relief to the home buyers, by allowing them to "assume" the policies and current rates of sellers. The purpose was to prevent skyrocketing flood insurance over the next year while FEMA works to implement the rest of the law. FEMA needs to act quickly to implement this critical provision so home buyers have the option to assume current policies and rates.
- 2) Refunds. The new law calls for an 8 month roll-out of new rate tables and guidelines for FEMA to issue refunds. In the interim, recent home owners need to know whether they will need to apply for a refund, what they can do to prepare, and what happens if they sell their homes before FEMA begins issuing those refunds. Also buyers of second homes will need to know whether they are eligible for refunds if they saw a rate increase that exceeded 25% per year. It would help to know how FEMA intends to meet the 8 month deadline and where to direct home owners to begin getting answers to these and other questions.
- 3) Flood Insurance Advocate. The Advocate will provide a single point of contact at FEMA to help home owners begin to answer refund and other questions about flood maps and rate increases.
- 4) Flood map certification. FEMA is required to certify when it has implemented a flood map program based on scientific review of a Technical Mapping Advisory Council. FEMA's plans and timeline to establish this Council in order to begin reviewing the accuracy of flood maps are crucial.
- 5) Flood Insurance Summit. FEMA agreed to participate in a flood insurance summit with affected stakeholders. As we work to implement this new law and look ahead to the next reauthorization, we hope to make this beneficial summit a reality for all involved.



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REALTORS® thank you for the opportunity to submit these comments. It would be good to hear from Administrator Fugate to address these issues during your hearing. We look forward to working with you as FEMA continues to implement the new flood insurance law and address the rate affordability under the National Flood Insurance Program.

Sincerely,

A handwritten signature in blue ink that reads "Steve Brown". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steve Brown

2014 President, National Association of REALTORS®