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February 29, 2016

The Honorable Jeb Hensarling  
Chairman  
House Financial Services Committee  
2228 Rayburn House Office Building  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member  
House Financial Services Committee  
2221 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the 1.1 million members of the National Association of REALTORS®, thank you for bringing up H.R. 2901, the “Flood Insurance Market Parity and Modernization Act,” for consideration by the Financial Services Committee. While REALTORS® support and believe in the necessity of a strong National Flood Insurance Program (NFIP), a vibrant private flood insurance market will provide a choice of products to property owners looking to meet their individual flood insurance needs. This legislation is a solid first step in the development of private market options for property owners.

Of particular importance, H.R. 2901 would clarify that property owners may satisfy the federal requirement to buy and maintain a minimum amount of flood insurance with private market or NFIP coverage. This continuous coverage provision is essential in that it will allow homeowners to move back and forth between the NFIP and private insurance without punitive rate hikes. The provision fosters the growth of private insurance plans and also protects homeowners by preserving the NFIP as a viable choice, keeping homeowners from becoming stranded should private insurance options contract or become more expensive after major floods.

REALTORS® support the amendment in the nature of a substitute expected to be offered by Rep. Dennis Ross (FL) to strengthen the bill. Consumers have a right to know the exact terms and conditions of private flood insurance, especially where the coverage terms are different from an NFIP policy. In addition, retaining Fannie Mae and Freddie Mac’s authority to consider the financial solvency of private insurance companies protects taxpayers and can be done without preempting state insurance regulation.

A strong NFIP coupled with a consumer-friendly private insurance market will provide property owners with the choices they demand. REALTORS® urge passage of the amended legislation and look forward to working with the committee and Congress to take this first step to improving the flood insurance marketplace.

Sincerely,



Tom Salomone  
2016 President, National Association of REALTORS®

cc: House Financial Services Committee

