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The Honorable Gus M. Bilirakis
U.S. House of Representatives
2112 Rayburn HOB
Washington, DC 20515

Dear Representative Bilirakis:

Thank you for introducing H.R. 879, The Flood Insurance Integrity Act of 2017. With the National Flood Insurance Program (NFIP) due for reauthorization on September 30th later this year, the National Association of REALTORS® (NAR) believes that this legislation will provide important information to help inform congressional efforts to reauthorize and reform the NFIP.

First, the bill would require the General Accountability Office (GAO) to review NFIP rate tables every four years and determine if the rates are actuarially sound and sufficient to sustain the program. The NFIP is currently reevaluating its methods under the Risk Rate 2.0 initiative. Under this bill, GAO would track the program’s progress and effectively provide regular status reports and updates. According to independent actuaries, essentially the NFIP uses one risk-based rate table. As a result, individual property owners facing flood risk below the national average could pay too much while others pay too little. By developing additional rate tables that more closely align rates to individual property risk (e.g., dividing the A zone into coastal and inland subzones and developing a table for each, developing an X zone table based on property elevation, etc.) the NFIP could strengthen participation and thus solvency.

Second, the bill directs the GAO to coordinate with the U.S. Geological Survey (USGS) and annually review FEMA’s processes for establishing and updating flood maps. According to a 2009 National Academies report,¹ “topographic data are the most important factor in determining water surface elevations, base flood elevation, and the extent of flooding and, thus, the accuracy of flood maps in riverine areas.” Under the 3D Elevation Program (3DEP), the USGS is spearheading a government-wide effort and coordinating with agencies including FEMA to collect this necessary data at a high resolution using light detection and ranging (LiDAR) technology from airplanes. At quality level 2, LiDAR collects nearly 77,000 ground points in a 5-acre parcel – a 1000% increase over the 32 points typically collected in the national elevation dataset used in the past for flood insurance studies. By spotlighting how LiDAR can improve the accuracy of the flood maps, this bill could lend support to efforts to fully fund the 3DEP program.

NAR believes that accurate flood maps with rates that accurately reflect risk are two keys to the long-term success of the NFIP. NAR looks forward to working with you and your staff to pass a timely, long-term reauthorization of the NFIP, including important reforms to the flood insurance rate maps such as those included in The Flood Insurance Integrity Act.

Sincerely,

William E. Brown
2017 President, National Association of REALTORS®



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¹ National Research Council. 2009. Mapping the Zone: Improving Flood Map Accuracy. Washington, DC: The National Academies Press.