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April 4, 2019

The Honorable Kathy Castor  
U.S. House or Representatives  
2052 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Blaine Luetkemeyer  
U.S. House or Representatives  
2230 Rayburn House Office Building  
Washington, DC 20515

Dear Representatives Castor and Luetkemeyer:

On behalf of 1.3 million members of the National Association of REALTORS®, thank you for introducing H.R. 1666, to amend the National Flood Insurance Act to explicitly allow for the consideration of private flood insurance for purposes of applying continuous coverage requirements.

Currently, the National Flood Insurance Program (NFIP) requires continuous coverage to be eligible for grandfathered rates, but only counts the time in an NFIP policy. If a policyholder chooses to leave the program and return later, the NFIP will charge the full, non-grandfathered rate -- even if the policyholder maintained superior, lower cost coverage in the private market for the entire duration of any "NFIP lapse." The prospect of higher insurance rates is not only a deterrent to the marketplace but also a barrier to more affordable flood insurance.

REALTORS® support H.R. 1666, which will:

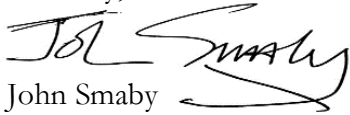
- Clarify that continuous coverage includes certain private flood insurance. Section 205 of the Biggert-Waters Reform Act introduced the requirement to avoid rewarding those who deliberately allow flood insurance to lapse; it was not intended to penalize those who choose to maintain their coverage under a non-NFIP policy.
- Resolve regulatory confusion and uncertainty. Section 239 of Biggert Waters requires lenders to accept private flood insurance meeting a strict definition. Yet, NFIP policyholders may not exercise this option without facing a rate penalty under a different provision of the very same law (section 205). It is imperative that Congress resolve this conflict before the [new regulations implementing section 239 take effect on July 1](#).
- Remove a regulatory barrier to more affordable flood insurance. NAR members are increasingly finding that private flood insurance companies offer more affordable rates for comparable coverage to an NFIP policy. Consumers should be completely free to choose the highest quality, lowest cost policy, whether printed on NFIP letterhead or not.



The bill will not weaken consumer protections. In fact, it protects consumers by preserving the NFIP as a viable choice so property owners won't become stranded, should private insurance options contract or become more expensive after major floods.

Again, thank you for introducing H.R. 1666. REALTORS® strongly support the bill and look forward to working with you and your colleagues in Congress to include these provisions as part of a broader NFIP reauthorization and reform measure.

Sincerely,

A handwritten signature in black ink, appearing to read "John Smaby". The signature is fluid and cursive, with a large, sweeping flourish at the end.

John Smaby  
2019 President, National Association of REALTORS®