



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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October 16, 2007

United States Senate  
Committee on Banking, Housing & Urban Affairs  
Washington, DC 20510

Dear Senator:

The Committee on Banking, Housing and Urban Affairs on Wednesday, October 17 will consider legislation to reauthorize the National Flood Insurance Program (NFIP). NAR supports the efforts to make flood insurance available to homeowners who may wish to purchase coverage and to ensure the long-term viability of the NFIP.

The NFIP offers essential flood loss protection to homeowners and commercial property owners in more than 20,000 communities nationwide. NAR supports the following changes to the NFIP contained in the Flood Insurance Reform and Modernization Act ("FIRM Act"): extending the NFIP for five years, forgiving the debt incurred by the NFIP as a result of the 2005 storms, and creating a reserve fund to help cover losses in catastrophic loss years.

NAR is concerned, however, that several provisions in the bill (e.g., expanding the mandatory purchase requirement to "residual risk areas," phasing out existing subsidies for pre-FIRM properties, and increasing deductibles) could present serious affordability concerns and hamper efforts to increase participation in the NFIP, which may harm those least able to pay these additional costs.

Thank you for considering the views of the National Association of REALTORS®. I urge you to vote in favor of the FIRM Act, so that the National Flood Insurance Program can remain available and affordable to property owners. NAR looks forward to working with you as the bill moves forward

Sincerely,

Pat V. Combs, ABR, CRS, GRI, PMN  
2007 President, National Association of REALTORS®