

March 25, 2022

The Honorable Tom Rice  
U.S. House of Representatives  
460 Cannon House Office Building  
Washington, D.C. 20515

Dear Representative Rice:

On behalf of 1.5 million members of the National Association of REALTORS®, thank you for introducing HR 7221: Increased Cost of Compliance Modernization Act of 2022.

Since 2003, the National Flood Insurance Program (NFIP) has offered \$30,000 to cover the increased cost of compliance (ICC) with floodplain building standards if a property is substantially flood damaged. However, few policyholders use this critical coverage because the cost of eligible projects (i.e., elevation, relocation, flood proofing or demolition) often exceed \$30,000 and the ICC claim plus any damage claim in aggregate may not exceed the maximum coverage limit under the NFIP (i.e., \$250,000 for a residential building).

HR 7221 would modernize ICC by raising the limit to \$50,000 with an additional coverage option to buy \$50,000 more. ICC would no longer be counted toward NFIP's coverage limit so that policyholders will not have to choose between essential home repairs and mitigation improvements. The bill would also expand eligible use of ICC funds to allow ICC to be used as the non-federal match for Flood Mitigation Assistance, Pre-Disaster Mitigation and Hazard Mitigation Grant Programs.

NAR supports this important measure to modernize flood risk mitigation coverage, and we look forward to working with you as the bill is considered as part of a broader NFIP reauthorization bill in the coming months.

Sincerely,



Leslie Rouda Smith  
2022 President, National Association of REALTORS®