

May 24, 2022

The Honorable Emanuel Cleaver
Chair
House Financial Services Subcommittee on
Housing, Community Development and
Insurance
2335 Rayburn House Office Building
Washington, D.C. 20515

The Honorable French Hill
Ranking Member
House Financial Services Subcommittee on
Housing, Community Development and
Insurance
1533 Longworth House Office Building
Washington, DC 20515

Dear Chair Cleaver and Ranking Member Hill:

On behalf of the 1.5 million members of the National Association of REALTORS®, thank you for holding this hearing on reauthorization and reform of the National Flood Insurance Program (NFIP). Congress has passed 21 short-term NFIP extensions since 2018, increasing uncertainty in real estate markets and risking 40,000 home sales each month. It is time for Congress to come together and support a long-term NFIP reauthorization with meaningful reforms to modernize mapping, incentivize risk mitigation, and strengthen consumer choice between NFIP and private flood insurance.

REALTORS® support the NFIP Reauthorization Act of 2022, which updates legislation by Chair Maxine Waters (D-CA) and Rep. Patrick McHenry (R-NC) that passed the Financial Services Committee last Congress. The discussion draft includes the following provisions:

- **Reauthorizes the NFIP through September 30, 2027.**
- **Encourages a more robust private market to help close the flood insurance gap.**
 - Clarifies that federal continuous coverage requirements can be satisfied by NFIP or private flood insurance (sec. 401); and
 - Refunds NFIP premium when there is a duplicate private flood coverage (sec. 106).
- **Modernizes mapping for better risk assessments.** These provisions would enable FEMA to use modern and accurate risk assessment tools, like those currently used in North Carolina, to automatically remove low-risk properties from high-risk areas while accounting for additional flood risk factors:
 - Authorizes additional funding authority for flood mapping (sec. 201);
 - Expands mapping from one-third of the stream miles to all areas of the U.S. (sec. 204(a));
 - Provides for property-specific mapping and a digital display (sec. 204(b));
 - Assists communities with mapping urban and future flooding (secs. 203 and 204(c)); and
 - Adds a real estate representative to the Technical Mapping Advisory Council (sec. 211)

- **Ensures consumers are charged fair rates and enhances affordability through mitigation.** REALTORS® support more accurate and transparent pricing through Risk Rating 2.0: Equity in Action. Subsidizing premiums ultimately keeps homeowners in harm's way, but the mitigation-centered approach proposed in this legislation will ensure reasonable rates and prevent devastating flood losses:
 - Authorizes funding for flood mitigation grant programs (sec. 306);
 - Expands NFIP coverage for the increased cost of compliance after flooding (sec. 301);
 - Allows NFIP to consider community repetitive flood loss efforts when making financial assistance determinations (sec. 302).
- **Requires NFIP to disclose claims history directly to buyers and renters (sec. 404).** While all 50 states require disclosure of known material adverse facts and conditions, such as past flood damage, and realtor.com® has augmented state laws by displaying flood risk factors on home listings, lack of public awareness remains an issue. REALTORS® do not support conditioning NFIP eligibility on a FEMA disclosure form, but we believe making NFIP claims data available would achieve the same objectives at a lower cost.

All of the above reforms have broad bipartisan support. Packaged together, these provisions would help create a more financially stable program while ensuring NFIP better communicates risk, emphasizes mitigation, and strengthens consumer choice.

Again, thank you for holding this hearing. We look forward to continuing to work with you and your colleagues in Congress to find a way forward on reauthorizing and reforming this critical program.

Sincerely,



Leslie Rouda Smith

2022 President, National Association of REALTORS®

cc: House Financial Services Subcommittee on Housing,
Community Development and Insurance