



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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January 22, 2008

The Honorable Barney Frank
Committee on Financial Services
2252 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Frank:

On Wednesday, January 23, the House of Representatives is scheduled to vote on H.R. 3959, a bill to phase out National Flood Insurance Program (NFIP) subsidies on primary residences sold for not less than \$600,000 after the date of enactment. The National Association of REALTORS® (NAR) strongly opposes this bill.

REALTORS® strongly support the reforms to the National Flood Insurance Program (NFIP) included in H.R. 3121 (passed by the House on September 27, 2007). That legislation is needed to strengthen the NFIP, which provides essential protection against losses due to flooding for residents in more than 20,000 communities nationwide.

REALTORS® also believe it is important to increase participation in the NFIP. H.R. 3959, however, would make it more difficult for owners of a segment of pre-FIRM properties to participate by increasing the already high costs of purchasing and maintaining flood insurance.

REALTORS® oppose the elimination of all subsidies for pre-FIRM properties in the NFIP especially at a time when it is clear that greater participation is needed and the nation's housing markets are in turmoil. H.R. 3959 would not only increase the already high cost of participation for owners of homes that were built at a time when the risks of flood damage were unknown, but also have unintended housing market consequences and hamper efforts to increase participation in the NFIP. Therefore, on behalf of its more than 1.3 million members, NAR is urging Members to vote against H.R. 3959.

Sincerely,

Richard F. Gaylord, CIPS, CRB, CRS, GRI
2008 President, National Association of REALTORS®