

January 24, 2024

The Honorable Sherrod Brown
Chairman
U.S. Senate Committee on Banking,
Housing, and Urban Affairs
503 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Tim Scott
Ranking Member
U.S. Senate Committee on Banking,
Housing, and Urban Affairs
104 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Brown and Ranking Member Scott:

On behalf of 1.5 million members of the National Association of REALTORS®, thank you for holding this hearing on reauthorization of the National Flood Insurance Program (NFIP).

Unless Congress acts, NFIP's insurance writing authority will expire on March 8, leaving countless property owners, buyers, and renters unable to purchase the flood insurance required to protect their homes. Congress should not only act to extend the program, but also make comprehensive reforms to ensure properties' true risks are understood, incentivize pre-flood mitigation, and strengthen the program's long-term fiscal viability.

REALTORS® support a long-term flood insurance reauthorization coupled with meaningful reforms:

- **Reauthorize the NFIP for five years.** Congress has passed 28 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.
- **Encourage a more robust private market to help close the flood insurance gap.** According to FEMA, less than 4 percent of U.S. homes are covered by flood insurance. Removing two regulatory obstacles to private flood insurance would help close the gap:
 - Clarify that federal continuous coverage requirements can be satisfied by NFIP or private flood insurance policies; and
 - Refund NFIP premium when there is duplicate private flood coverage.
- **Modernize mapping for better risk assessments.** The following provisions would enable FEMA to use more accurate risk assessment tools to map more of the U.S. while accounting for additional flood risk factors, including urban and future floods:
 - Authorize additional funding authority for flood mapping;
 - Expand mapping from one-third of U.S. stream miles to all areas of the U.S.;
 - Provide for the future of flood risk data initiative including property-specific mapping and a digital display like North Carolina's;
 - Assist communities with mapping urban and future flood risk; and
 - Add a real estate representative to the Technical Mapping Advisory Council.

- **Ensure consumers are charged actuarially fair rates while enhancing 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 a mitigation-centered approach will ensure that rates remain reasonable while preventing devastating flood losses:
 - Authorize funding for flood mitigation grant programs;
 - Expand NFIP coverage for the increased cost of compliance after flooding;
 - Allow NFIP to consider community repetitive flood loss efforts when making financial assistance determinations.
- **Require NFIP to exchange property “flood facts” data with private insurers and disclose the claims history directly to buyers and renters.** While all 50 states require the disclosure of known material facts and conditions, including 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® would 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 the above reforms have broad bipartisan support. Packaged together, these provisions would help create a more financially stable program while ensuring that NFIP better communicates risk, emphasizes mitigation, and strengthens insurance choices so more consumers can and will purchase flood insurance.

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 while encouraging a more robust private flood insurance market.

Sincerely,



Kevin Sears
2024 President, National Association of REALTORS®