

Roll Call

Sampson & Veissi: End Flood Insurance Program Uncertainty

By David Sampson and Moe Veissi

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When Gerald Ford took the Presidential Oath of Office after Richard Nixon's resignation, he reminded Congress and the American people that "even though this is late in an election year, there is no way we can go forward except together and no way anybody can win except by serving the people's urgent needs."

Congress would do well to heed his words as we approach a watershed election this November.

Despite widespread partisan gridlock on Capitol Hill, at least one opportunity for bicameral, bipartisan consensus exists: reauthorizing the National Flood Insurance Program (NFIP).

The flood program currently sits in limbo, set to expire on May 31. Extending the NFIP must be a top congressional priority. The NFIP provides vital flood protection for more than 5.6 million home and business owners in 21,000 communities across the country. Furthermore, the housing market relies on a strong and stable flood insurance program.

A lack of flood insurance coverage creates uncertainty in the housing market and leaves homeowners dangerously vulnerable to devastating floods, which are not just a coastal issue. Flood disasters have been declared in every state and over the past century have claimed more lives and property than any other natural disaster.

In 2010, the NFIP was allowed to lapse for 53 days, halting tens of thousands of real estate transactions in areas where homebuyers are required to purchase flood insurance to obtain a mortgage. Long-term reauthorization of the insurance program would help provide the housing market with the certainty it needs for a recovery.

The National Association of Realtors estimates that another lapse in coverage could stall more than 1,300 home sales per day. And disruptions in flood insurance availability leave all taxpayers exposed to widespread, costly relief efforts.

We have witnessed encouraging signs from elected officials in recent months.

The Senate Banking Committee passed a five-year reauthorization bill at the end of 2011 and the bill now awaits floor time.

Last summer, the House passed its five-year reauthorization on a resounding, bipartisan vote of 406-22. Additionally, the Obama Administration has heralded the House legislation and urged Congress to adopt fundamental NFIP reforms.

This is progress, but it will be of little comfort to homeowners if Congress does not act soon to pass a long-term reauthorization for the NFIP.

As politics gets more polarized, Americans are looking for signs that our elected officials can work together to address real problems. Realtors and insurers stand together in calling for Congress to put aside partisan differences and bring much-needed certainty to a program on which so many Americans rely.

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