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March 24, 2014

The Honorable W. Craig Fugate
Administrator
Federal Emergency Management Agency
U.S. Department of Homeland Security
500 C Street SW
Washington, DC 20472

Re: Implementation of the Homeowner Flood Insurance Affordability Act

Dear Administrator Fugate:

Congress recently passed, and the President signed into law, H.R. 3370, the Homeowner Flood Insurance Affordability Act (HFIAA). The legislation and supporting Committee Report language is very clear that FEMA must implement some of these provisions quickly to help homeowners who are struggling **right now** to pay their flood insurance premiums or possibly lose their homes to foreclosure and bankruptcy. The specter of \$30,000 annual flood insurance premiums still looms over many property owners today.

The following two provisions of HFIAA must be implemented immediately to bring relief to property owners across the country:

- 1) **Section 3(b) states:** *“Sec. 3(b) Assumption of Policies at Existing Premium Rates.--The Administrator shall provide that the purchaser of a property that, as of the date of such purchase, is covered under an existing flood insurance policy under this title may assume such existing policy and coverage for the remainder of the term of the policy at the chargeable premium rates under such existing policy. Such rates shall continue with respect to such property until the implementation of subsection (a).”*

This section provides immediate and desperately-needed rate relief to home buyers by preventing an immediate jump to full-risk premiums at the time of purchase. Buyers of property will be allowed to “assume” the policies and current rates of sellers. However, to deliver this relief, FEMA must act immediately to implement this provision.

Question: When will FEMA issue the appropriate instructions and guidance to Write Your Own insurance companies allowing for the assumption of current rates and policies?

- 2) **Section 3(4) states:** *“The Administrator shall refund directly to insureds any premiums for flood insurance coverage under the National Flood Insurance Program collected in excess of the rates required under the provisions of and amendments made by this section.”*



This section establishes an eight month implementation schedule to deliver the refunds to property owners required under the law.

Question: What steps is FEMA taking to get this refund process underway and is there particular information FEMA could be collecting in order to facilitate this process?

Two other HFIAA provisions are critical to our members and their ability to understand the NFIP and provide information and assistance to their clients:

- 3) **Section 24** establishes a new Flood Insurance Advocate Office for homeowners. The purpose of this Flood Insurance Advocate is to provide home owners with a single point of contact at FEMA who could help them navigate the bureaucracy of FEMA and find answers related to flood insurance, mapping, appealing flood zone determinations and other issues.

Question – How will this office be established within FEMA and what is the timeline for implementation?

- 4) **Section 17** requires that FEMA certify when it has implemented a flood mapping program based on the review of a Technical Mapping Advisory Council (TMAC). This is critical to ensure these maps are accurate and updated in a timely manner.

Question - Have you developed a timeline to re-establish TMAC so it can begin reviewing and improving the accuracy of FEMA's flood maps?

Finally, on behalf of 1.1 million members of the National Association of REALTORS[®], I request a personal meeting with you to discuss these issues as soon as possible. Ongoing dialogue and communication will be critical if FEMA is to implement the provisions of HFIAA in a timely fashion and bring balance and rate affordability to the NFIP.

Sincerely,

A handwritten signature in blue ink that reads "Steve Brown". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steve Brown

2014 President, National Association of REALTORS[®]