

November 8, 2017

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The undersigned groups, representing the commercial and multifamily real estate industry, are pleased to offer our support for passage H.R. 2874, the 21st Century Flood Reform Act, reauthorizing the National Flood Insurance Program (NFIP). Set to expire on December 8, 2017, the NFIP ensures that businesses and residences throughout the country are able to recover from flooding and continue contributing to the economy.

The commercial and multifamily real estate industry represented by the organizations listed below urge the House of Representatives to pass H.R. 2874, the 21st Century Flood Reform Act, without delay. The provisions, highlighted below are of particular importance to our industry:

Long-Term Reauthorization. We appreciate that the legislation provides for a five-year reauthorization of the NFIP. A long-term solution such as this will prevent another short-term extension and potential program lapses that create uncertainty in both the insurance and housing markets. The NFIP provides necessary coverage in 22,000 communities nationwide where flood insurance is required for a mortgage. Should the program be allowed to lapse it will cost sales of commercial building across the country and lead to needless disruptions to real estate markets.

Private Flood Insurance Market. While we strongly support the reauthorization of the NFIP, we also support efforts that encourage greater growth in the private flood insurance markets to help provide policy holders with more choices. To this end, we appreciate the bipartisan work done to include the Flood Insurance Market Parity and Modernization Act as part of this legislative package. The legislation will enable consumers to move to the private market while maintaining continuous coverage, so they may return to the NFIP without rate increases. It would also stimulate more options for policy holders to access high-quality flood insurance coverage often at lower cost than the NFIP.

Commercial Opt-Out. The NFIP serves as a critical risk management tool for commercial property owners yet in too many cases the policy constrictions of the NFIP can be problematic and leave the property exposed to great financial risk in the wake of a disaster. We strongly support the language passed by the Financial Services Committee that would remove the federal mandatory purchase requirement for commercial and multifamily rental properties. Removing the federal mandatory purchase requirement has the potential to allow both commercial and multifamily property owners to secure access to flood coverage that better fits their needs through more flexible coverage terms.

Once again, we urge you to support, H.R. 2874, the “21st Century Flood Reform Act.” A strong NFIP, with reforms to help commercial and multifamily property owners first prevent flooding, then reopen or reoccupy and resume business quickly, is one that protects jobs and economy. As representatives of the commercial and multifamily building industries, we look forward to continuing to work with you to reauthorize and improve the NFIP before it sunsets this year.

Sincerely,

Building Owners and Managers Association (BOMA) International
CCIM Institute
Council for Affordable and Rural Housing
International Council of Shopping Centers

Institute of Real Estate Management
Manufactured Housing Institute
Mortgage Bankers Association
NAIOP, The Commercial Real Estate Development Association
Nareit
National Affordable Housing Management Association
National Apartment Association
National Association of Housing Cooperatives
National Association of REALTORS®
National Leased Housing Association
National Multifamily Housing Council
The Real Estate Roundtable`