

June 8, 2026

The Honorable Markwayne Mullin
Secretary of Homeland Security
U.S. Department of Homeland Security
Washington, DC 20528

The Honorable Pete Hegseth
Secretary of War
U.S. Department of War
Washington, DC 20301-1000

Re: FEMA Review Council Final Report (Docket No. DHS-2026-0067)

Dear Secretaries Mullin and Hegseth,

The undersigned represent leading national trade associations committed to strengthening disaster response, recovery, and long-term resilience to support more affordable, stable, and sustainable homeownership, communities, and real estate markets. Given the important role FEMA's actions and policies play in advancing these shared goals, we have closely followed the work of the President's Council to Assess the Federal Emergency Management Agency (the "Council") since its inception.

We greatly appreciate the Council's efforts and recommendations aimed at improving FEMA's disaster response and operational effectiveness and better balancing federal, state, and local responsibilities. We also believe that maintaining a strong federal role, alongside long-term reauthorization and thoughtful reform of the National Flood Insurance Program (NFIP), will be critical to FEMA's continued success and to the nation's overall disaster preparedness, recovery, and resilience.

While we support many of the recommendations in the Final Report, we would welcome further dialogue and reconsideration of several proposals, including those related to NFIP depopulation, adjustments to the damage cost threshold for disaster declarations, access to Individual Assistance, and the use of parametric triggers for Public Assistance in place of assessments based on actual disaster impacts. We also see opportunities for additional focus within FEMA's purview to help ensure the agency is fully equipped to meet its statutory responsibilities.

Below, we highlight areas of alignment, as well as considerations and topics that may benefit from further discussion.

Areas of Alignment

1. Preserving and Strengthening FEMA Support

Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), state and local governments have primary responsibility for disaster response, recovery, and long-term resilience, with FEMA authorized to provide support when state and local capacity is overwhelmed. We support strengthening state and local capacity and agree that FEMA should continue to play a supporting role. At the same time, given the increasing frequency, scale, and unpredictability of disasters, it is unlikely that states and local governments will be able to achieve full self-sufficiency in addressing every event within their borders. As a result, there will continue to be a need for a federal agency that is equipped and ready to provide additional resources for large-scale disasters on short notice.

2. Expediting Mitigation Funding

Every dollar invested in risk mitigation reduces future disaster losses by an average of \$6, according to the National Institute of Building Sciences. As the Council notes, mitigation funding is often distributed well after rebuilding begins, limiting opportunities to incorporate resiliency into reconstruction when it is cost effective. We strongly support the Council's recommendations to expedite and streamline mitigation funding so communities know upfront how those funds can be used, can rebuild more quickly, and reduce long-term risks.

3. Simplifying and Streamline Assistance Programs

The Individual Assistance and Public Assistance programs are complex and can involve cumbersome and duplicative application processes, creating challenges for disaster survivors and communities seeking timely assistance. We support the Council's recommendations to simplify paperwork burdens, improve consistency, and refocus FEMA's approach toward more timely distribution of funding and support to communities, helping to shorten overall recovery timeframes.

4. Reforming the NFIP

As currently structured, the NFIP is unsustainable and cannot simultaneously meet Congress's conflicting goals of affordability and risk-based pricing necessary for solvency. We support several of the Council's proposals to reform the program, including modernizing flood mapping, addressing repetitive loss properties, and eliminating duplicative or burdensome Endangered Species Act requirements.

Areas Where We Respectfully Disagree

1. Privatizing the NFIP

We would not support the Council's proposal to force the transition of existing NFIP policyholders into the private market through "depopulation" or a centralized

clearinghouse. While a stronger private market should be encouraged, it is not prudent or realistic to expect the private sector to absorb the estimated 35–45 million high-risk properties identified by the American Property Casualty Insurance Association (APCIA). A reformed NFIP, alongside a growing private market, remains essential to ensuring affordability, availability, and overall market stability.

As the Council notes, a key step toward greater private market participation is the continued implementation of risk-based pricing under Risk Rating 2.0. This will help level the playing field between the NFIP and private carriers and give consumers meaningful choice. Policyholders—not policymakers—should decide between NFIP and private coverage based on price, coverage, and service. The government’s focus should be on removing barriers to private market participation, including reforming continuous coverage rules and updating Write Your Own (WYO) requirements to allow greater participation by non-admitted carriers.

2. Raising the Threshold for Disaster Declarations.

The Council recommends realigning the criteria FEMA uses when making recommendations to the President on major disaster declarations. While we support efforts to simplify these criteria and update thresholds to reflect inflation, we are concerned that higher thresholds alone may not fully reflect true capacity and impacts. We believe the criteria should account for whether disasters exceed state and local capacity and that reforms should improve clarity, transparency, and consistency in how decisions are made, without limiting access to federal assistance where it is needed most.

3. Limiting Individual Assistance

Today, the Individual Assistance (IA) program provides multiple forms of support, including housing and Other Needs Assistance that can total up to roughly \$100,000 per household in certain cases. Permanent housing assistance is also currently available in limited, cost-effective circumstances.

The Council’s recommendations would:

- Eliminate or significantly limit most IA categories beyond temporary housing assistance
- Narrow eligibility to households that experience severe damage or whose homes become uninhabitable
- Remove FEMA’s ability to provide permanent housing repairs as a meaningful recovery tool

We are concerned these changes would leave many households—particularly those with partial damage and/or limited resources—without sufficient support to fully recover. In many cases, repairing homes may be more cost-effective than relying solely on temporary housing solutions such as trailers or extended hotel stays. We support reforms that prioritize cost-effective, housing-first recovery strategies, including the flexibility to provide permanent housing assistance where appropriate.

4. Parametric triggers for Public Assistance

Public Assistance is too slow and bureaucratic. We support shifting from a reimbursement model to an upfront block grant approach with fewer reviews and streamlined permitting.

However, we have concerns with tying aid to predefined triggers rather than actual damage if such an approach:

- Limits assistance to disasters that meet predefined thresholds (e.g., wind speeds), even when significant damage occurs below those thresholds; or
- Provides uniform funding regardless of actual damage, potentially leaving communities with severe losses under-resourced.

While parametric approaches may increase speed and reduce administrative burden, they risk undermining the principle that assistance should reflect actual need.

Areas for Further Consideration

1. Long-Term NFIP Reauthorization Package

The NFIP plays a critical role in shaping development in special flood hazard areas and managing flood risk for residential and commercial properties. A strong NFIP helps ensure that the housing industry can continue to provide safe, decent, and affordable housing, but only if the program is current, available, and reliable. We support long-term reauthorization of at least five years alongside meaningful reforms to strengthen the program, improve its financial sustainability, and provide greater stability and predictability for housing markets.

2. Expanded Federal Role for Permanent Housing

The Council suggests shifting primary responsibility for permanent housing repairs and mitigation away from the federal government and toward private insurers and states. While states and insurers play a central role, the federal government also has an important function in supporting long-term housing recovery and bridging the gap between temporary assistance and permanent rebuilding.

We support:

- Codifying FEMA authority to fund permanent housing repairs when doing so is more cost-effective than extending temporary housing assistance;
- Permanently authorizing HUD's Community Development Block Grant-Disaster Recovery (CDBG-DR) program to support long-term housing recovery; and
- Strengthening coordination between FEMA and HUD to ensure a smoother transition to permanent housing without duplicating efforts or unnecessarily expanding federal programs.

We also urge consideration of targeted bridge financing mechanisms to support the transition to permanent housing, particularly those that enable more timely reconstruction and reduce reliance on extended temporary assistance.

Conclusion

Thank you for the opportunity to provide input and for the FEMA Review Council's efforts to identify practical reforms to strengthen FEMA and support resilient communities.

Sincerely,

National Association of Home Builders
National Association of REALTORS®