



NATIONAL
ASSOCIATION of
REALTORS®

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March 13, 2014

Dear Senator:

The National Association of REALTORS®, representing over 1 million members, strongly urges the Senate to pass **HR 3370, the Homeowner Flood Insurance Affordability Act**, without further delay or amendment.

In January, the Senate, by a vote of 67-32, approved the Homeowner Flood Insurance Affordability Bill after a full amendment process. On March 4th, the House voted 306-91 to adopt most of the Senate bill but modified one section so it fully repeals and refunds the excessive premium increases triggered either a) by a property's sale or b) an update to a flood insurance rate map. REALTORS® strongly support the bill as amended. Home buying is complicated enough without introducing new variables like inaccurate rate quotes into the process. Combined with the provisions establishing a new flood insurance advocate for homeowners, these bill enhancements will resolve most of the unintended consequences due to Biggert-Waters implementation.

Under the modified bill, FEMA will still raise rates annually, but all increases will occur at policy renewal and be capped so no property owner can see more than a 25% increase each year. The newer properties, which have been built to NFIP's building standards, will be limited to a more gradual 18% increase. To make up the difference in program revenue, a small assessment is added to all policies until property owners are paying full-risk rates. As amended by the House, the bill will not add to the debt over 10 years according to the Congressional Budget Office and represents a more balanced and measured approach that will not undermine local housing markets.

REALTORS® strongly urge a YES vote on HR 3370 without further amendment.

Sincerely,

Steve Brown
2014 President, National Association of REALTORS®

