

May 07, 2012

The Honorable Harry Reid
United States Senate
United States Capitol, S-221
Washington, DC 20510

The Honorable Mitch McConnell
United States Senate
United States Capitol, S-208
Washington, DC 20510

Dear Majority Leader Reid and Minority Leader McConnell:

On behalf of the undersigned associations, we respectfully urge the Senate to move quickly to reauthorize the National Flood Insurance Program (NFIP) and avoid a costly lapse in the program on May 31, 2012.

As you know, more than 5.6 million policyholders in 21,000 communities nationwide depend on the NFIP as their main source of protection against property losses that result from flooding. Without flood insurance, many residential and commercial real estate transactions across the country will come to a stop, as federally backed mortgage loans cannot legally be secured without this critical protection. Failing to reauthorize the NFIP could jeopardize nearly 40,000 mortgage closings per month, according to the National Association of REALTORS.

In 2011, Hurricanes Irene and Lee caused significant flooding from North Carolina to Maine. Those storms followed more than one hundred natural catastrophe events and significant spring 2011 flooding in several states across the country. We are about to enter hurricane season again, and America cannot afford a lapse of the program. Failure to reauthorize the NFIP would further stress already struggling real estate markets, potentially cost the government billions of dollars in uncompensated relief efforts, and put millions of consumers at risk.

In July 2011, the House of Representatives passed a bi-partisan measure, H.R. 1309, by a vote of 406-22. On September 9, 2011, the Senate Banking Committee unanimously approved its version of the 5-year bill. Both proposals include a long-term reauthorization and important reforms that will optimize the current program, make needed improvements to the floodplain mapping and appeals processes, and other key reforms that will encourage program participation and put the NFIP back on the path to sound financial footing.

Senators Reid and McConnell

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We urge the full Senate to act now to reauthorize this program and avoid the costly consequences that would result in a lapse from failure to act.

Sincerely,

American Bankers Association
American Bankers Insurance Association
American Insurance Association
American Land Title Association
American Resort Development Association
Chamber Southwest LA
Consumer Bankers Association
Council of Insurance Agents and Brokers
Credit Union National Association
The Financial Services Roundtable
Houma-Terrebonne Chamber Of Commerce
Independent Community Bankers of America
International Council of Shopping Centers
Independent Insurance Agents and Brokers of America

Mortgage Bankers Association
NAIOP, Commercial Real Estate Development Association
National Association of Federal Credit Unions
National Association of Home Builders
National Association of Mutual Insurance Companies
National Association of REALTORS®
National Apartment Association
National Multi-Housing Council
National Ready Mixed Concrete Association
Property Casualty Insurers Association of America
Reinsurance Association of America
Risk and Insurance Management Society, Inc. (RIMS)

CC: The Honorable Timothy Johnson, Chairman, Senate Committee on Banking,
Housing, and Urban Affairs
The Honorable Richard Shelby, Ranking Member, Senate Committee on Banking,
Housing, and Urban Affairs