



NATIONAL
ASSOCIATION of
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October 29, 2013

The Honorable Robert Menendez
528 Hart Senate Office Building
Washington, DC 20510

The Honorable Johnny Isakson
131 Russell Senate Office Building
Washington, DC 20510

The Honorable Michael Grimm
512 Cannon House Office Building
Washington, DC 20515

The Honorable Maxine Waters
2221 Rayburn House Office Building
Washington, DC 20515

Dear Senator Menendez, Senator Isakson, Representative Grimm and Representative Waters:

On behalf of the National Association of REALTORS®, thank you for introducing the “Homeowner Flood Insurance Affordability Act.” This bipartisan legislation takes the crucial first step of delaying further implementation of some rate increases in the Biggert-Waters law (BW12). This will enable FEMA to complete the affordability study already mandated by BW12, propose targeted regulations that address the affordability issues found in the study, and give Congress adequate time to review these regulations.

We are grateful that Congress provided a 5-year reauthorization of the National Flood Insurance Program through BW12, ending the program shutdowns that cost 40,000 home sales each month. NAR strongly supports the long-term reauthorization of this program to provide certainty in real estate markets where flood insurance is required to obtain a mortgage. While this longer-term stability is greatly appreciated, the implementation of the new rate structures in BW12 has caused serious confusion and hardship for property owners. FEMA’s continued delays and missed deadlines in combination with the legally required transition to true risk rates has been a recipe for disaster.

In light of all of this, we appreciate your bipartisan effort to prudently defer rate increases until FEMA can complete the affordability study mandated by BW12 and propose a regulatory affordability framework for targeted relief. We believe that the results of this study combined with additional time for Congress to consider the impact of changes to the NFIP will allow for a thoughtful way forward. As with any law, unexpected consequences often occur. We are hearing of increases in rates beyond what anyone imagined possible. If correct, these must be addressed.

The bill would also create an office of the Advocate for flood insurance rate and mapping concerns. We believe that this is a necessary provision. Other than insurance agents, property owners and real estate professionals do not have an effective avenue to pursue concerns regarding flood insurance rating errors and discrepancies. If FEMA relies only on its write-your-own network to implement changes in the law, an independent arbiter would be a useful addition.

We support the “Homeowner Flood Insurance Affordability Act,” and urge its immediate consideration. We look forward to continuing our work with you and the rest of the Congress to protect homeowners and taxpayers and create a responsible and sustainable National Flood Insurance Program. Again, thank you for your leadership.

Sincerely,

Gary Thomas
2013 President, National Association of REALTORS®



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