

January 11, 2018

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20515

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
Washington, D.C. 20515

The Honorable Paul Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Leader McConnell, Leader Schumer, Speaker Ryan, and Minority Leader Pelosi:

SmarterSafer – a broad based coalition of conservation groups, taxpayer advocates, insurance interests, and housing and mitigation organizations – urges Congress to make meaningful reforms to the National Flood Insurance Program (NFIP) to ensure it is financially stable over the long term. We remain concerned that, despite requiring \$45 billion in taxpayer funds to pay past claims, the program continues to operate without reforms needed to better protect people in harm's way, better protect the environment, and better protect taxpayers.

In the past year, a number of hurricane and flooding events have occurred across the United States, impacting millions of Americans. These events have once again shown that the flood program is not on stable footing and that more needs to be done to protect those at risk. Congress must act not only to shore up the program's finances, but also to ensure that it undertakes more accurate mapping, provides consumers with real information on risks and additional insurance options, and encourages mitigation.

**Unfortunately, NFIP has now been extended a number of times in the last several months without needed reforms. We urge you to act quickly to pass reforms to the program in the next bill that extends NFIP or in the disaster assistance bill that may be considered in the next month.**

To ensure the program is sustainable in the long term, the following reforms should be included:

**Accurate mapping** – The Federal Emergency Management Agency (FEMA) must be required to ensure that mapping data has both greater engineering confidence and includes property-level elevation information gathered through Light Detection and Ranging (LIDAR) surveys, a proven technique to develop high-resolution maps, to ensure FEMA's maps accurately depict areas likely to flood. Without more accurate mapping, homeowners may be misled as to flood risk and burdened by having to obtain expensive elevation certificates and going through time-consuming appeals with FEMA.

**Mitigation investments** – Congress must include additional investments in mitigation, particularly for the most at-risk properties. The best way to reduce rates is by reducing risk.

We urge Congress to invest in mitigation, to require FEMA to work with lenders and the Federal Housing Administration to facilitate mitigation loans, and to require communities to plan for known flood risks and to assess community-wide nature-based mitigation efforts that are cost-effective and will reduce future flooding.

**Continued move to solvency** – Congress must continue to move NFIP to fiscal soundness by gradually phasing properties to risk-based rates coupled with mitigation assistance and affordability measures for those who are low-income. For too long, the federal government has masked risk through subsidized rates. This has resulted in a program deeply in debt to taxpayers. Congress should continue a gradual move to risk-based rates, and should include assistance outside of the rate structure for low-income homeowners who cannot afford their full risk-based rates. Where cost-effective, subsidies should be used for mitigation to reduce risk. To ensure solvency, FEMA should continue to use reserve funds and reinsurance to manage and reduce risk.

**Consumer choice** – A recent study found that in the three states with over half of all flood insurance policies, even in the highest risk areas – V zones – between 62 and 88 percent of all homeowners could potentially access more affordable flood options in the private sector. If Congress wants to address affordability, consumer options are key. Congress must clarify current law that homeowners can satisfy mandatory purchase requirements with private flood insurance policies. Any reform or reauthorization must include the Flood Insurance Market Parity and Modernization Act – bipartisan legislation sponsored by Sens. Dean Heller (R-NV) and Jon Tester (D-MT). Though the bill merely clarifies current law, it is needed to assure lenders they can accept private policies. A version of this bill passed the House 419-0 last Congress, and passed the House Financial Services Committee 58-0 last year. Homeowners in harm's way should not be forced to purchase a National Flood Insurance Program policy if they can find a more affordable private policy merely because of a lack of clarity.

**Increased transparency** – Homeowners and communities can only make decisions to reduce the potential for flood damages if they have access to information about flood risks. FEMA should be required to make more data available to the public on flood losses, repeatedly flooded homes, and community compliance with the NFIP. Homeowners and buyers should also have a right to know more about a home's history of flood damages to help guide their decisions about mitigation.

SmarterSafer's full flood insurance reform proposal can be found at [http://www.smartersafer.org/wp-content/uploads/SmarterSafer-NFIP-Policy-Proposal\\_February-2017.pdf](http://www.smartersafer.org/wp-content/uploads/SmarterSafer-NFIP-Policy-Proposal_February-2017.pdf). We look forward to working with Congress as it looks to reauthorize and reform the National Flood Insurance Program (NFIP).

Sincerely,

SmarterSafer