

June 29, 2017

The Honorable Mike Crapo
Chairman
Senate Committee on Banking,
Housing, and Urban Affairs
Washington, D.C. 20510

The Honorable Sherrod Brown
Ranking Member
Senate Committee on Banking,
Housing, and Urban Affairs
Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Brown:

SmarterSafer--a broad based coalition of conservation groups, taxpayer advocates, insurance interests, and housing and mitigation organizations--understands that the Banking Committee will soon act on flood insurance reauthorization and reform. SmarterSafer urges the Committee to make meaningful reforms to the program to ensure it is financially stable in the long-term. To do this, we urge the Committee to include the following in any reauthorization package:

Consumer choice--any reform bill must include clarification of current law that homeowners can satisfy mandatory purchase requirements with private flood policies. The coalition strongly urges the Committee to include the Heller-Tester bill, the Flood Insurance Market Parity and Modernization Act, that is merely a clarification of current law, but is needed to assure lenders they can accept private policies. A version of this bill passed the House 419-0 last Congress, and just passed the House Financial Services Committee 58 to 0 last week. 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.

Accurate mapping--FEMA must be required to ensure mapping data has both greater engineering confidence and includes property level elevation information through Light Detection and Ranging surveying, a proven technique for developing high resolution maps, to ensure FEMA's flood maps accurately depict areas likely to flood. Without more accurate mapping, homeowners may be misled as to flood risk and burdened by having to prove their elevation through expensive elevation certificates and time consuming appeals with FEMA.

Mitigation investments--any reform bill must include investments in mitigation so that the most at-risk properties have the ability to reduce their risk. The best way to reduce rates is by reducing risk. We urge the Committee to include investments in mitigation as well as a requirement that FEMA work with lenders and the Federal Housing Administration to facilitate mitigation loans. We also urge the Committee to include requirements that communities plan for known flooding risks, and assess community-wide nature based mitigation efforts that are cost-effective and will reduce future flooding.

Continued move to solvency--any reform bill must continue to move the program to fiscal soundness by gradually phasing properties to risk-based rates. For too long, the federal government has masked risk through subsidized rates, and this has resulted in a program deeply in debt to taxpayers. The Committee 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. To ensure solvency, FEMA should continue to use reserve funds to manage and reduce risk.

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. We look forward to working with Congress as it looks to reauthorize and reform the National Flood Insurance Program (NFIP).

Sincerely,

SmarterSafer

Cc: Senate Committee on Banking, Housing, and Urban Affairs Members

SMARTERSAFER

Conservation Organizations

American Rivers
Center for Climate and Energy Solutions (C2ES)
Conservatives for Responsible Stewardship
Defenders of Wildlife
Natural Resources Defense Council
National Wildlife Federation
Union of Concerned Scientists

Consumer and Taxpayer Advocates

Coalition to Reduce Spending
R Street
Taxpayers for Common Sense
Taxpayers Protection Alliance
National Taxpayers Union

Insurer Interests

Association of Bermuda Insurers and Reinsurers
The Chubb Corporation
Liberty Mutual Group
National Association of Mutual Insurance Companies (NAMIC)
National Flood Determination Association
Reinsurance Association of America
Property Casualty Insurers Association of America

Mitigation Interests

Natural Hazard Mitigation Association
National Fire Protection Association

Housing Groups

National Housing Conference
National Leased Housing Association