Congress of the United States
Washington, DC 20515

September 27, 2013

The Honorable John Boehner
Speaker of the House
H-232 U.S. Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
House Minority Leader
235 Cannon House Office Building
Washington, DC 20515

Dear Speaker Boehner and Minority Leader Pelosi:

FEMA Administrator Craig Fugate recently stated that he needs the help of Congress to fix the affordability issues surrounding the National Flood Insurance Program. The U.S. House of Representatives already began to address this time sensitive matter with the passage of an amendment on June 5, 2013 to the FY14 Homeland Security Appropriations Act. This provision would shield certain flood insurance policyholders from excessive rate increases triggered by FEMA flood insurance rate map changes. The amendment received broad bi-partisan support with over 280 House members voting in favor of the provision. This is a positive step toward providing a comprehensive solution to the affordability challenges plaguing the National Flood Insurance Program.

Despite the efforts of the House the U.S. Senate has, to date, failed to pass any measure shielding policyholders from catastrophic flood insurance rate increases. It is thus incumbent for the U.S. House of Representatives to once again lead and put forth a measure that will delay the implementation of steep rate increases. **We urge on behalf of our constituents that the House-passed amendment included in the FY14 Homeland Security Appropriation Act, or a similar provision providing relief from the rapid and unanticipated flood insurance rate increases, be added to any appropriate legislative vehicle including legislation used to complete the appropriations process for the 2014 fiscal year.**

The economic ramifications surrounding unaffordable flood insurance has the potential to devastate home values, small businesses, and entire communities across the country. Since the House took action in early June, FEMA has released its *Specific Rate Guidelines*, which confirmed our fears of sudden and steep rate increases. For example, a homeowner in Oregon has seen his annual rate go from $600 to over $10,000. Home builders in North Carolina are seeing their rates increase as much as 1,000%. A young family in Louisiana recently bought a new home and is now having to pay the full risk-rate of $10,000 a year, when the same property was previously assigned a $600 rate. In Mississippi, homeowners are facing foreclosures because of these rate increases despite following FEMA rules and building to code after Hurricane Katrina. In Florida, which has the highest number of flood insurance policies of any state, home sales in flood areas have virtually halted with some buyers receiving quoted policies ranging from $10,000 to $20,000 a year. These rates are not only affecting coastal communities, they are also impacting inland areas across the country, such as in North Dakota, Tennessee, Colorado, and other riverine regions in the United States. In many cases these exorbitant rate increases are affecting properties that have never flooded and that were built in accordance with all FEMA required elevations and applicable codes at the time of construction. These properties are now considered to be out of compliance due to new or proposed flood mapping by FEMA.

Meanwhile, FEMA is years away from completing the affordability study mandated by the Biggert-Waters Flood Insurance Reform Act of 2012. In addition, FEMA has only begun to administer its revised Levee Analysis and Mapping Procedure (LAMP) designed to take into account levee and flood

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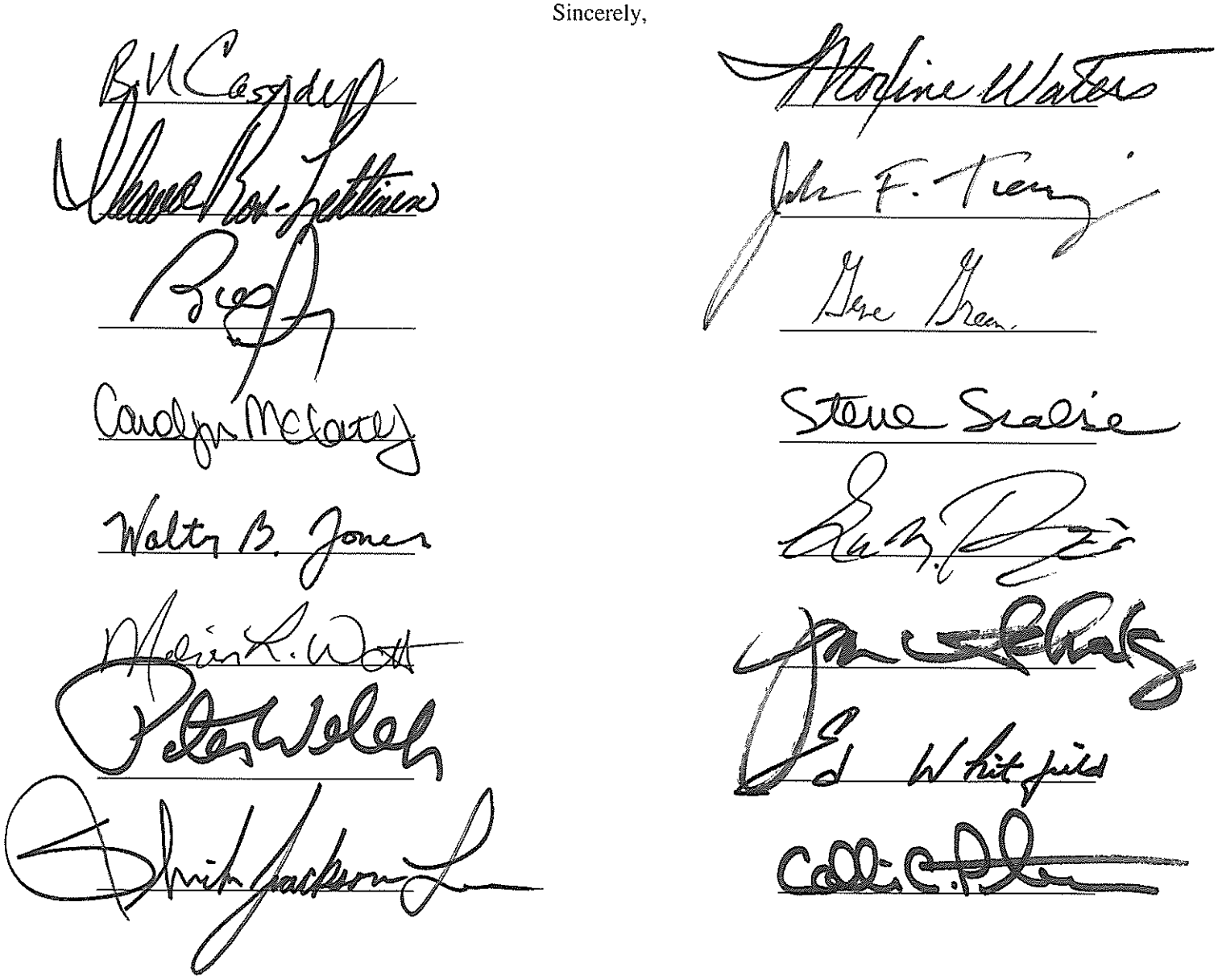
protection structures when assessing a community's true flood risk. Making matters worse, FEMA is charging homeowners full risk rates in New York and New Jersey that were devastated by Hurricane Sandy even before the homeowners had a chance to mitigate and elevate their homes.

While we continue to work together toward a comprehensive legislative solution, it is imperative to secure temporary relief for the millions of homeowners and small businesses susceptible to steep rate increases across the country. **We again urge that the House-passed amendment included in the FY14 Homeland Security Appropriation Act, or similar provision, be added to any appropriate legislative vehicle including legislation used to complete the appropriations process for the 2014 fiscal year.**

Flood insurance accessibility and solvency must be balanced with consumer affordability. Thank you for your attention to this important matter.

Sincerely,