



**NATIONAL
ASSOCIATION of
REALTORS®**

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September 8, 2011

The Honorable Tim Johnson
Chairman
Committee on Banking, Housing and
Urban Affairs
United States Senate
136 Hart Senate Office Building
Washington, DC 20510

The Honorable Richard Shelby
Ranking Member
Committee on Banking, Housing and
Urban Affairs
United States Senate
304 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Johnson and Ranking Member Shelby:

On behalf of the 1.1 million members of the National Association of REALTORS® (NAR), thank you for holding a markup of the Flood Insurance Reform and Modernization Act. As you know, another lapse of National Flood Insurance Program (NFIP) authority would stall more than 1,300 home sales daily by NAR estimates. Reauthorizing the NFIP through 2016 is a top priority of our membership.

Reauthorizing the NFIP for at least five years is critical to millions of taxpaying American families who rely on the program for flood insurance that is required by law to obtain a federally related mortgage in 21,000 communities nationwide. Since September 2008, Congress has approved nine short-term extensions of the NFIP's authority to issue flood insurance policies. Twice last year, this authority was allowed to expire, resulting in the delay or cancellation of tens of thousands of home sales in down real estate markets. The NFIP is again set to expire on September 30, which is less than a month away. The series of stopgap extensions and shut-downs of this program over the past three years have caused many hardships and lost sales for property buyers, sellers and their communities. Enacting a long-term NFIP reauthorization would restore flagging confidence in this vital program by ensuring its continuation through 2016 without further disruption to real estate markets. Five years is the minimum reauthorization necessary to provide some certainty to these markets upon which the U.S. economic recovery depends.

NAR believes that the bill's provisions establishing the Technical Mapping Advisory Council and Scientific Resolution Panel would help address on-going concerns over the accuracy of the 100-year flood insurance rate maps. We would not support expanding those maps to additional areas, such as the 500-year floodplain, before the existing mapping issues are resolved. While we remain concerned about the affordability of bill reforms to the premium rate structure – particularly for older properties without a flood history or increase in risk, we will continue to work with Congress to ensure that the rate is gradually phased-in over five years. Thank you for your efforts to minimize the overall impact of these reforms as well as their fair and equitable application across properties.



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In addition, NAR is strongly supportive of the establishment of a bipartisan commission to examine the risks to the United States of natural catastrophes beyond floods as well as the means for mitigating those risks and paying for the losses including through insurance.

We support moving the Flood Insurance Reform and Modernization Act to the floor for full Senate consideration. We look forward to further discussions as the bill moves forward and pledge to continue working with you on these and other important issues..

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Phipps". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

Ron Phipps, ABR, CRS, GRI, GREEN, e-PRO, SFR
2011 President, National Association of REALTORS®