

September 6, 2011

Honorable Tim Johnson, Chairman
Senate Committee on Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Honorable Spencer Bachus, Chairman
House Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Messrs. Chairmen:

The National Flood Determination Association (NFDA) commends your efforts to strengthen the National Flood Insurance Program's (NFIP's) ability to provide stability for and protection to homeowners and businesses by way of the recent and thoughtful legislative proposals to reform the Program. As House and Senate members return from August recess, **the NFDA asks you and your Committee Members to push for long term reauthorization of the National Flood Insurance Program before it expires on September 30.**

The NFDA is a professional association of companies that works with federally regulated lenders to facilitate compliance with the mandatory purchase requirements under the NFIP to ensure that properties located in the Special Flood Hazard Area are protected by flood insurance. The NFDA has seen firsthand the value that the NFIP has brought to the nation by offering its citizens quality coverage at affordable rates, by encouraging the education of property owners about the hazards of flood, and by guiding communities to govern development in ways which mitigate future risks through adoption and enforcement of sound ordinances. Likewise, we have seen the uncertainty and apprehension resulting from lapses to the Program, as recently as last year. As a result of those intermittent lapses, loan closings were put on hold and property owners were not allowed to purchase or renew needed insurance protection as they faced the onset of hurricane season.

The destruction and devastation of flooding caused by Hurricane Irene in Puerto Rico and along the East Coast as well as by this year's swelling of the Missouri and Mississippi Rivers throughout the Midwest are wakeup calls for everyone. Now is the time for Congress to send a message of confidence and certainty to not only the banking and insurance industries but also to business owners and homeowners who are on alert for the remainder of the 2011 hurricane season and for other disasters yet to come. While we recognize the significant effort that your respective committees have expended on substantive NFIP reform, the NFDA currently recommends that Congress take immediate action to reauthorize the Program independent of these more extensive reform proposals. Long term reauthorization will contribute to the nation's economic recovery in the form of a more stable and active housing market and ensure that valuable flood insurance protection will continue to be available to homeowners and business owners.

The National Flood Determination Association urges you to reauthorize the National Flood Insurance Program prior to its upcoming expiration and beyond the minor extensions we have seen in recent years.

We thank you and your Committee Members for the important work you do in this regard and for allowing us the opportunity to provide our thoughts and suggestions to guide this work. Please make the NFIP reauthorization a priority.

Sincerely,



Cheryl A. Small, President
National Flood Determination Association

Cc: Honorable Richard Shelby, Ranking Minority Member, Senate Banking Committee
Honorable Barney Frank, Ranking Minority Member, House Financial Services Committee
Members of the Senate Banking Committee
Members of the House Financial Services Committee