



## **FLOOD INSURANCE REFORM**

The Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act) was signed into law last July to reform and reauthorize the National Flood Insurance Program (NFIP) for five years. Administered by the Federal Emergency Management Agency (FEMA), NFIP is a crucial program that provides over 5.6 million policyholders with affordable flood insurance for homes and commercial real estate in flood-prone areas. In many cases, NFIP is the only flood insurance available to protect builders and homeowners' investments.

The Biggert-Waters Act, while well-intentioned, has resulted in costly and unintended consequences for homeowners and businesses across the country. While NAHB believes in a strong and viable NFIP and supported the Biggert-Waters Act, the implementation of the law is undercutting the effectiveness of the NFIP, resulting in unnecessary economic distress to property owners.

Of particular concern to the home building industry are the unaffordable premium rates and inaccuracies in FEMA's new flood maps. If not corrected, these issues will continue to severely impact the construction, remodeling and sale of homes. This comes at a time when the housing industry is beginning to recover.

Most recently, the House passed H.R. 3370, *the Homeowner Flood Insurance Act*, which would provide more direct relief to policyholders by creating a more affordable rate structure, repealing point-of-sale rate increases, restoring the grandfathered rates for those who built their properties according to code, and for some, providing important relief in the form of a refund. This bill also requires the remapping process to take into account local flood control structures and facilitates consumers' ability to appeal FEMA's mapping decisions. Further, this legislation returns the substantial improvement threshold to the historic 50% level, which is critical to the health of the remodeling industry. In January, the Senate passed a bill that would address some of these concerns by delaying the rate increases until FEMA completes its Affordability Study.

NAHB strongly supported H.R. 3370, and with the momentum gained by its passage, we are now requesting that the Senate quickly pass this legislation to help homeowners across the nation.

### **Take Action**

- House of Representatives – The House's leadership on flood insurance will bring much needed relief to homeowners and businesses in your state.
- Senate – Enact the House-passed bill (H.R. 3370) that addresses the unintended consequences of the Biggert-Waters Act and overall flood insurance affordability.

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