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National Association of Federally-Insured Credit Unions

March 12, 2019

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Re: Tomorrow's Hearing on Flood Insurance Reauthorization

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), I write in regard to tomorrow's hearing entitled "Preparing for the Storm: Reauthorization of the National Flood Insurance Program." We are happy to see the Committee working towards a multi-year reauthorization of the National Flood Insurance Program (NFIP) before the May 31st deadline.

NAFCU supports a long-term reauthorization of the NFIP. The recent reauthorizations of the NFIP that have amounted to only short-term extensions, with brief program lapses, have created a high level of uncertainty for the millions of families who rely on flood insurance policies. This market uncertainty puts a damper on the lending volume of our nation's credit unions and the economic activity of their members.

We are pleased to see that the Committee is considering program improvements including: addressing the affordability of flood insurance; raising the coverage limits; providing funds for improved mapping technology; mitigating fraud and abuse within the claims system; and taking steps to continue the financial solvency of the program to maintain market stability. We would caution against any legislation that raises annual premium rates too rapidly, as this may lead to attrition in the program and further long-term uncertainty for lenders.

We urge the Committee to move legislation forward as quickly as possible. On behalf of our nation's credit unions and their 115 million members, we thank you and the Committee for your important work on this matter. Should you have any questions or require additional information, please do not hesitate to contact me or Max Virkus, NAFCU's Associate Director of Legislative Affairs, at 703-842-2261 or mvirkus@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Committee on Financial Services