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March 15, 2017

The Honorable Sean Duffy
Chairman
House Financial Services Subcommittee
on Housing and Insurance
United States House of Representatives
Washington, D.C. 20515

The Honorable Emanuel Cleaver
Ranking Member
House Financial Services Subcommittee
on Housing and Insurance
United States House of Representatives
Washington, D.C. 20515

Re: Tomorrow's Hearing on Flood Insurance Reform

Dear Chairman Duffy and Ranking Member Cleaver:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally-insured credit unions, I write in conjunction with tomorrow's hearing entitled "Flood Insurance Reform: A Community Perspective". NAFCU is pleased to see the subcommittee working towards a long-term reauthorization of the National Flood Insurance Program (NFIP) before the September 30, 2017 deadline.

As you know, recent reauthorizations of the NFIP have seen a series of short-term extensions that have created a high level of uncertainty in the program and left millions of American families who rely on flood insurance policies in limbo. This is especially unacceptable to our nation's credit unions and their members, given that residential and commercial lending is key in turning around our still-struggling economy. It is with this in mind that we strongly support a multi-year, long-term reauthorization of the NFIP.

NAFCU is also pleased to see that the subcommittee is considering various program improvements such as: maintaining a focus on affordability of flood insurance, including private market options; increasing coverage limits and allowing lenders to require adequate coverage for both property and structures; addressing issues with the need for improved technology and expediency of mapping efforts; and taking steps to maintain the financial solvency of the program to bring stability to the market.

We do have concerns with further NFIP privatization efforts, as a private program could target lesser risk policies and strain the government program, which could potentially become the insurer of last resort. Furthermore, we would urge that any legislation ensure that annual premium rates are not raised too quickly, as this could lead to attrition in the program and long-term uncertainty for lenders.

We thank you and the subcommittee for your important work to reform the NFIP and move a long-term reauthorization. We would urge the subcommittee to move legislation forward as quickly as possible.

Should you have any questions or require any additional information please do not hesitate to contact me or Gaurav Parikh, NAFCU's Associate Director of Legislative Affairs, at 703-842-2261.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Thaler', with a long horizontal flourish extending to the right.

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Subcommittee on Housing and Insurance