

May 24, 2022

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

Dear Chairwoman Waters and Ranking Member McHenry:

The American Bankers Association appreciates the House Financial Services Subcommittee on Housing, Community Development, and Insurance holding this important hearing on Reauthorization and Reform of the National Flood Insurance Program.

A long-term reauthorization of the NFIP continues to be a high priority issue for the ABA and our members, as stability in the NFIP is essential to ensuring that borrowers in flood prone areas can access the insurance needed to protect their properties and the collateral securing their mortgage loans. The ongoing series of short-term extensions of program authority — and the potential for lapses in authority — destabilize the mortgage process.

There is a growing focus by banks and regulators to ensure that physical risks posed by climate change are adequately addressed. The availability of flood insurance, and particularly of the NFIP, is an essential element of those efforts and long-term reauthorization of the program is vital to a coordinated approach to ensuring resiliency of the housing finance system and to the continued ability of low and moderate income borrowers to access mortgage credit.

We urge the members of the House Financial Services Committee to advance legislation to reauthorize the NFIP on a long-term, five-year basis and to include in that legislation a requirement for the prudential agencies to update the Interagency Questions and Answers Regarding Flood Insurance on a recurring and regular basis. This is another longstanding priority for the ABA and our members, as this guidance is essential to ensuring that borrowers have the coverage necessary to protect their properties.

Sincerely,



cc: Members of the House Committee on Financial Services