

Date: June 10, 2019

To: Members of the House Financial Services Committee

From: James Ballentine, Executive Vice President, Congressional Relations & Political Affairs

Re: ABA Support for the NFIP Reauthorization Act of 2019, and H.R. 3111, NFIP Administration Reform Act of 2019

On behalf of the members of the American Bankers Association (ABA), I write to express our strong support for the bipartisan legislation developed by Chairwoman Maxine Waters (D-CA) and Ranking Member Patrick McHenry (R-NC), which is scheduled for consideration before the committee on Tuesday, June 11.

The NFIP Reauthorization Act of 2019 would reauthorize the National Flood Insurance Program (NFIP) through September 30, 2024. A long term reauthorization has been 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 series of short term extensions of program authority — and the potential for lapses in authority — destabilize the mortgage process. We applaud Chairwoman Waters and Ranking Member McHenry for making difficult compromises to reach agreement in a long term reform.

We are pleased that the bill includes provisions requiring the updating and expansion of flood mapping. Accurate and reliable mapping is essential to ensuring that communities and consumers have the flood protection they need. The modernization of the mapping programs is foundational to the success of the NFIP.

Further, the legislation also ensures that borrowers who replace NFIP coverage with newly available private policies and later return to the NFIP, will have “continuous coverage” with no penalty or gap in coverage. This is an important and much needed addition.

The ABA also supports H.R. 3111 offered by Rep. Nydia Velazquez (D-NY) to make reforms to the NFIP claims process. We note that this legislation requires the reinstatement of the prudential regulators’ Questions and Answers on NFIP compliance and requires regular updates to the guidance. This is another longstanding priority for the ABA and our members. We note that this guidance is essential to ensuring that borrowers have the coverage necessary to protect their properties.

We applaud committee leadership on bringing these needed reform proposals before the committee and urge the committee’s passage of both of these important bills.