

**Congress of the United States**  
**Washington, DC 20515**

May 23, 2013

The Honorable Jeb Hensarling  
Chairman  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Maxine Waters  
Ranking Member  
House Committee on Financial Services  
B-301C Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Hensarling and Ranking Member Waters:

The Biggert-Waters Flood Insurance Reform Act overhauled the National Flood Insurance Program (NFIP) and set an aggressive timeline to increase flood insurance premium rates. These changes aim to make the NFIP solvent and ensure its long-term sustainability. However, the legislation fails to address affordability and participation in a fair and equitable manner.

FEMA Administrator Craig Fugate has admitted the changes will cause a number of homeowners to see rapid increases in their flood insurance premiums. For some, this could mean increases of up to 25 percent per year in some cases. For others, rates could increase several thousand dollars in just five years.

With the NFIP \$28 billion in debt, we absolutely believe that we must make changes to keep the NFIP solvent. However, we strongly disagree with the severe way in which these rates are increased over the next few years under Biggert-Waters. The financial strain on families, small businesses, and new homebuyers could ultimately affect local economies, and some homeowners could drop their flood insurance coverage altogether.

We urge the Committee to consider legislation regarding flood insurance rates and affordability within the NFIP. Without sufficient participation in the program, the premiums received will not cover the cost of claims, particularly when the next flood disaster strikes. This could leave the NFIP further in debt and could force taxpayers to shoulder the debt yet again.

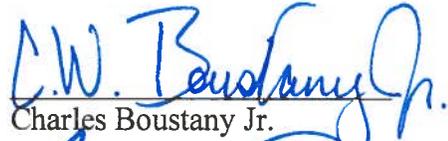
In addition to legislation, we respectfully request the Committee to hold a hearing addressing the affordability of flood insurance, the impact that increased rates will have on communities, and the repercussions that high flood insurance rates will have on families or small businesses within high risk areas. With the one-year anniversary of the Biggert-Waters Act approaching, now would be the perfect time to examine its effectiveness.

Congressional action is critical to ensure that flood insurance is affordable and available to families and small businesses. While we need to guarantee the NFIP's fiscal solvency, we must do so in a more compassionate manner that does not threaten local economies and our families.

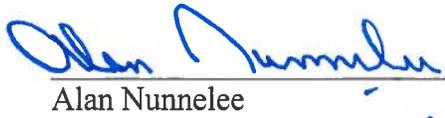
Sincerely,



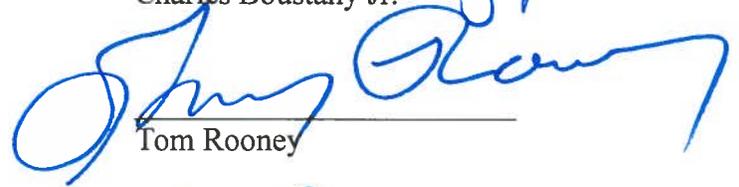
Steven M. Palazzo



Charles Boustany Jr.



Alan Nunnelee



Tom Rooney



Frank Lobiondo



Bill Cassidy



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