

**Member Alert:**

- ASFPF Updates Flood Insurance Affordability Paper
- Legislation Introduced to “Fix” BW-12
- ASFPF asked to testify before Congress

The Association of State Floodplain Managers re-released our updated [Flood Insurance Affordability paper](#) Oct. 22, with nine policy recommendations for Congress and Federal agencies to consider in implementing the 2012 Biggert-Waters Flood Insurance Reform Act (BW-12). They include new ideas coming from academia, recommended changes to existing programs, and even suggest some adjustments to BW-12 itself. Many of the recommendations by ASFPF focus on mitigating or reducing the long term risk of flood prone properties through a variety of mechanisms. Several programs already exist that can be of assistance. One recommendation not in the paper is delaying implementation of the phase in of rate increases. Instead, we recommend consideration of a longer phase-in period. This could give property owners more time to mitigate and Congress more time to address affordability while getting important reforms underway and removing uncertainty about financial decisions for property owners.

On Oct. 29, 57 members of the House of Representatives and 17 Senators introduced legislation to amend the National Flood Insurance Program. The bills are H.R.3370 and S.1610. While these are the latest in about a half dozen bills introduced over the past year, they appear to have more widespread support than the other bills at this point. According to a press release from Democrats of the House Financial Services Committee, led by Rep. Maxine Waters (D-CA), this proposed bipartisan legislation is to “fix” the affordability issues resulting from last year’s Biggert-Waters reform act. According to the press release, the legislation calls for the following:

- Imposes a 4-year rate increase delay that applies to: primary, non-repetitive loss residences that are currently grandfathered; all properties sold after July 6, 2012; and all property owners who purchased a new policy after July 6, 2012.
- Requires FEMA to: complete an affordability study (which is anticipated to take two years); propose an affordability framework within 18 months that addresses the identified affordability issues; and provide six months for Congressional review after that, which totals at least four years.
- Allows FEMA to utilize National Flood Insurance Funds to reimburse policyholders who successfully appeal a map determination.
- Eliminates the 50 percent cap on state and local contributions to levee construction and reconstruction.
- Protects the so-called “basement exception” in a few communities, which allows the lowest floodproofed opening in a home to be used for determining flood insurance rates.
- Establishes a Flood Insurance Rate Map Advocate within FEMA to answer current and prospective policyholder questions about the flood mapping process.
- Requires FEMA to certify that the agency has fully adopted a modernized risk-based approach to analyzing flood risk (this is aimed mostly at levees).

ASFPF is currently assessing the legislation. While some of the provisions are inconsistent with our policy as stated in our Flood Insurance Affordability Paper, we are encouraged that the legislation correctly identifies provisions of BW-12 that will most impact primary homes. However, we are concerned about how the legislation would address affordability. Still, the legislation as a whole preserves the basic concept of moving toward full risk rates, which is essential to the long term viability of the NFIP. If this bill passes with delay provisions, it will be important that we keep the pressure on the actions laid out for FEMA in the four year timeline.

We have been asked to testify before the House Financial Services Committee on Nov. 19 to share the Association’s views on BW-12 implementation to date. At that time, ASFPF will provide much more detailed thoughts on implementation issues and the proposed legislation. The hearing will likely be streamed over the Internet, so the day of the hearing go to [www.financialservices.house.gov](http://www.financialservices.house.gov) and click the hearings tab. The information will also be posted that morning on the ASFPF home page in “Hot Topics”.