Honorable Maxine Waters  
Chairman  
Subcommittee on Housing and Community Opportunity  
House Committee on Financial Services

Honorable Paul Kanjorski  
Chairman  
Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises  
House Committee on Financial Services

Dear Chairmen Waters and Kanjorski:

It is our understanding that your subcommittees will hold a hearing tomorrow on H.R. 2555, the Homeowners’ Defense Act. As you know, the measure, introduced by Representative Ron Klein would create several ways in which the federal government could assist state governments in meeting the costs of catastrophic losses. The Association of State Floodplain Managers urges you to consider whether or not such legislation would have the unfortunate effect of encouraging and supporting unwise development in at-risk locations.

The Association of State Floodplain Managers (ASFPM) and its 29 Chapters represent over 14,000 state and local officials and other professionals who are engaged in all aspects of managing and mitigating flood risk, to address the loss of life and property from natural hazards. These aspects include land management, hazard mitigation, mapping, engineering, planning, building codes and permits, community development, hydrology, forecasting, emergency response, water resources and insurance. Most of our members work with the nation’s 21,000 flood prone communities struggling to reduce their losses from all flood related hazards.

While we note that as written the bill directs the establishment of a grant program in the Department of Housing and Urban Development to develop, enhance or maintain programs to prevent and mitigate losses from natural catastrophes, we are concerned that there is no provision for coordination with the mitigation programs and criteria of the Federal Emergency Management Agency (FEMA), including the National Flood Insurance Program (NFIP) and requirements under the Stafford Act for State and local hazard mitigation plans. All States and most communities have developed mitigation plans over the past decade, and many are in their second or third update cycle. Further and importantly, the basic methodologies of
the bill do not include incentives to state and local governments to ensure strong, vigorous commitment to mitigation of risk.

A full hazard mitigation effort includes both steps to protect individual existing structures, through elevation, floodproofing, relocation, buyout, or other means, and also takes steps to discourage unwise development by both the private and public sectors. Therefore, effective mitigation must include not only assistance to individual homeowners, but requirements for local land use and permitting actions to discourage unwise development. Without a full mitigation effort while providing for catastrophic insurance, the federal government would, in effect, be helping to create tomorrow’s disaster. If the federal government is to be involved in a systematic way in addressing catastrophic losses, then such a system must include strong measures to protect public safety and taxpayer dollars.

The ASFPM appreciates your consideration of our concerns as you evaluate, analyze and act on H.R. 2555. We would be glad to assist the subcommittee in any way you would find helpful. Executive Director Larry Larson can be reached at (608) 274-0123 or larry@floods.org. The ASFPM website is www.floods.org.

Sincerely,

Greg Main
Chair
ASFPM

Larry Larson
Executive Director
ASFPM

Cc: Honorable Ron Klein
Honorable Barney Frank
Honorable Spencer Bachus
Honorable Shelley Moore Capito
Honorable Scott Garrett