

May 6, 2019

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Senate Minority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
House Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

As former FEMA Administrators, we are writing to express our belief that the National Flood Insurance Program (NFIP), which provides federally backed coverage for homeowners and small businesses in over 22,000 communities nationwide, is in desperate need of reform. Change is needed to allow the NFIP to pay off its debt and serve its purposes of reducing federal disaster spending following flood events, minimizing flood losses, and discouraging unwise building in flood-prone areas. As Congress considers long-term reauthorization of the NFIP before it expires on May 31st, we welcome the opportunity to discuss our recommendations with you.

Since 2000, flood-related disasters have caused over \$800 billion in overall losses, placing a huge strain on the NFIP's finances and requiring billions in federal disaster aid. In 2018, Hurricane Michael was the strongest storm to strike the Florida panhandle, and Hurricane Florence's record rainfall was the costliest storm that North Carolina has endured. While much of the devastation in recent years has occurred in coastal areas, inland communities have also been dealing with the high costs of flooding. From the beginning of 2009 through 2018, six of the eight states that experienced the most flood-related disaster declarations were in landlocked parts of the country. This is a national problem, and we must be vigilant across the country in managing flood risks.

One reason for such severe and pervasive damage is that the federal government pays to repeatedly rebuild the same structures in flood-prone areas. From our decades of work in managing and preparing for disasters, we have found Congress to be a reliable partner in helping communities following floods, but continuing to rebuild these structures in the same way simply does not make sense. By incentivizing Americans to live in vulnerable areas without taking steps to mitigate the risk, the NFIP gives property owners a false sense of security. In the absence of reforms, costs in taxpayer dollars and lives lost will only get worse.

We support solutions that would reduce the risk borne by taxpayers and the government while creating more resilient communities. One of these simple, commonsense solutions would require sellers to disclose flood risk to homebuyers. Additionally, we support the creation of a state-

revolving loan program to fund low-interest loans to mitigate risk to NFIP properties. Such a program could help buy out the owners of repeatedly flooded properties.

Other reforms that could help change the financial trajectory of the NFIP and improve disaster preparedness include requiring communities to develop plans to address areas that repeatedly flood, accelerating and improving the mapping of areas prone to inundation, and expanding the universe of properties covered by flood insurance. By implementing these changes, we can better ensure communities across the nation are prepared for the next storm.

In 2018, the analytics company CoreLogic estimated that 6.9 million homes are at risk from storm surge along the Atlantic and Gulf Coasts alone, with \$1.6 trillion in potential reconstruction costs at stake. With consecutive historic hurricane seasons striking our coasts, inland threats persisting, and the potential for billions of dollars more in damage, we urge you to modernize the NFIP before it expires on May 31st. We look forward to working with you to better protect our communities from future floods. To arrange further discussions with any or all of us, please contact Lars Anderson of BlueDot Strategies, at lars@bluedotstrategies.com or 202-281-0675.

Sincerely,

Brock Long
FEMA Administrator, 2017-2019

W. Craig Fugate
FEMA Administrator, 2009-2017

R. David Paulison
FEMA Administrator, 2005-2009

James Lee Witt
FEMA Administrator, 1993-2001