

Testimony of the Honorable Maxine Waters (CA-35)

Before the Committee on Rules

“H.R. 1309, the Flood Insurance Reform Act of 2011”

July 7, 2011

3PM

Thank you, Mr. Chairman, for allowing me to testify before the Committee today on H.R. 1309, the Flood Insurance Reform Act of 2011 and my amendment to this bill. Before I begin my remarks, I would like to thank Chairman Spencer Bachus, Chairwoman Judy Biggert, and Ranking Member Barney Frank for their assistance and support with this bill. We were able to work in a bipartisan manner on this bill in our Committee, passing it on a vote of 54-0.

The spirit of cooperation between Republicans and Democrats on this bill has been extremely welcome and this is why I am proud to be an original cosponsor of this bill. I hope that the same spirit of cooperation and bipartisanship extends to the Rules Committee's consideration of amendments that are being offered to this bill. I therefore request that the Committee make in order all amendments that comply with the rules of the House.

As you know, Mr. Chairman, earlier this year I introduced similar legislation, H.R. 1026, the Flood Insurance Reform Priorities Act. A version of my bill passed the House last year on a bipartisan vote and I hope that the bill offered by the gentlewoman from Illinois will also pass the House with significant support from both parties.

Mr. Chairman, the flood insurance program is more important now than ever before. Floods are the most common natural disaster and flood insurance is the most effective means for helping families to rebuild after a flood. Therefore, it is vital that flood insurance remain accessible, affordable, and available to the 5.5 million homeowners with policies and the many more who may want or need to purchase them.

Unfortunately, the lack of a long-term authorization has placed the flood insurance program at risk. The program lapsed three times last year. These lapses meant that FEMA was not able to write new policies, renew expiring policies, or increase coverage limits. Given the current crisis in the housing market, this instability in the flood insurance program is unacceptable and must be addressed. I am pleased that the gentlewoman's bill

not only reauthorizes the program for 5 years, but also provides the program with the tools it needs to return to a strong financial footing while protecting homeowners.

I would now like to discuss my amendment, which is very important to the success of the flood insurance program and the protection of taxpayers. My amendment would streamline and consolidate the Flood Mitigation Assistance Program, the Repetitive Flood Claims Program and the Severe Repetitive Loss Program in order to improve their effectiveness and efficiency.

Consolidating the Severe Repetitive Loss Program is fiscally responsible. These programs provide grants to

homeowners with repetitive losses to mitigate their properties so that they don't continue to flood. This is important because repetitive loss properties represent about 2% of all properties in the flood insurance program yet account for approximately 30% of all claims paid. As a result, these properties are a \$200 million drain annually on the flood insurance fund.

Congress rightly recognized the need to address this class of properties by establishing a severe repetitive loss program in 2004 under a Republican-controlled Congress and White House. The Bunning-Bereuter-Blumenauer bill was passed in 2004 with strong bi-partisan support and signed into law by President Bush.

My amendment improves these programs by modifying the existing statutory language, which is unnecessarily restrictive and has prevented FEMA from effectively implementing and managing the severe repetitive loss program. The restrictive language has led to low utilization by communities, which has resulted in an accumulation of unobligated balances in the Flood Insurance Fund (this is not appropriated money but revenue generated by premiums and fees). I know that Chairman Bachus was concerned about these balances. I believe that my amendment fully addresses his concerns. The changes in this amendment were recommended by FEMA and are fully supported by the Association of State Flood Plain Managers, American Rivers, the National Wildlife Fund, and others.

I would also like to encourage the Committee to give strong consideration to the amendments offered by Ms. Matsui, Mr. McGovern, Mr. Sherman, and Mr. Scott of Virginia. Again, thank you for the opportunity to testify before you today.

I yield back the balance of my time.