



National Association of Federal Credit Unions
3138 10th Street North • Arlington, Virginia • 22201-2149
703-522-4770 • 800-336-4644 • Fax 703-522-2734

Fred R. Becker, Jr.
President and CEO

April 5, 2011

The Honorable Judy Biggert
Chairman
Subcommittee on Insurance, Housing
and Community Opportunity
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

The Honorable Luis Gutierrez
Ranking Member
Subcommittee on Insurance, Housing
and Community Opportunity
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Biggert and Ranking Member Gutierrez:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federal credit unions, I write today in conjunction with tomorrow's mark-up of H.R. 1309, the Flood Insurance Reform Act. NAFCU is pleased to see this legislation, including the long-term reauthorization of the NFIP.

As you know, for the last several years, the National Flood Insurance Program (NFIP) has undergone a series of short-term extensions that have created a high level of uncertainty in the program and left millions of American families who rely on flood insurance policies in limbo. This is especially unacceptable to our nation's credit unions and their members given that the housing market is a key to turning around our still struggling economy. It is with this in mind that we strongly support the five-year reauthorization of the NFIP.

NAFCU is also pleased to see various program improvements in this legislation, such as indexing coverage limits for inflation, provisions to encourage expansion of the risk pool, and creating an independent advisory council to be involved in the mapping process.

We do have concerns about language in the bill that could lead to further NFIP privatization efforts, as a private program could target lesser risk policies and put a strain on the government program. Furthermore, we would urge that any final bill ensures that annual premium rates aren't raised too quickly, as that could lead to attrition in the program.

The Honorable Judy Biggert
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We thank you and the Subcommittee for your important work to reform the NFIP and move a long-term reauthorization. We would urge the Subcommittee to move this legislation forward and look forward to continuing to work with you to address our concerns as you reform and reauthorize the NFIP.

Should you have any questions or require any additional information please do not hesitate to contact myself or Brad Thaler, NAFCU's Vice President of Legislative Affairs, at 703-842-2204.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fred R. Becker', written in a cursive style.

Fred R. Becker
President/CEO

cc: Members of the Subcommittee on Insurance, Housing and Community
Opportunity