



National Association of Federal Credit Unions
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B. Dan Berger
Executive Vice President
Government Affairs

May 8, 2012

The Honorable Jon Tester
Chairman
U.S. Senate Committee on Banking
Subcommittee on Economic Policy
Washington, D.C. 20510

The Honorable David Vitter
Ranking Member
U.S. Senate Committee on Banking
Subcommittee on Economic Policy
Washington, D.C. 20510

Dear Chairman Tester and Ranking Member Vitter:

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 in conjunction with tomorrow's hearing on the National Flood Insurance Program (NFIP). With the NFIP authorization scheduled to once again expire at the end of the month, NAFCU appreciates the timely nature of this hearing.

It is critical that Congress act and thereby prevent this vital program from lapsing. Often times during lapse periods, credit unions are required to keep up with notices to members about flood insurance requirements, but the NFIP is unable to approve new policies and coverage increases. This high level of uncertainty leaves millions of American families, who rely on flood insurance, in limbo.

Further, NAFCU believes that bipartisan legislation aimed at making structural reforms to the NFIP could be advantageous to those who participate, as it would allow for a longer-term reauthorization and more predictability in the program. NAFCU member credit unions appreciate the hard work that went into the *Flood Insurance Reform and Modernization Act of 2011* (S. 1940), legislation voted out of the Senate Banking Committee by voice vote last year, that would reauthorize the program until 2016.

Should S. 1940 be taken up on the Senate floor, NAFCU will continue to advocate for a provision to be added to the bill that would clarify existing law by explicitly allowing lenders to collect premiums for force-placed flood insurance during the 45-day notification period if borrowers let policies lapse. This is an issue of fairness given that credit unions participating in the NFIP continue to assume the risk of property damage during this delinquency notification window. Such a provision was included with broad bipartisan support in the flood insurance reform bill that passed the House last year.

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Once again, thank you for taking steps to ensure this important program does not lapse. Should you have any questions or require additional information, please do not hesitate to contact myself or NAFCU's Vice President of Legislative Affairs, Brad Thaler, at (703) 842-2204.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger". The signature is stylized with a large initial "B" and a long horizontal stroke extending to the right.

B. Dan Berger
Executive Vice President of Government Affairs

cc: Members of the Subcommittee on Economic Policy