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Key Vote NO on the Homeowner Flood Insurance Affordability Act, H.R. 3370

As one of our over 6 million FreedomWorks members nationwide, I urge you to contact your representative and ask him or her to vote NO on the Homeowner Flood Insurance Affordability Act, H.R. 3370. This bill would delay much-needed reforms to the National Flood Insurance Program and inevitably result in a taxpayer bailout of that program.

The federal government has effectively nationalized flood insurance under the National Flood Insurance Program (NFIP). As with any government monopoly, this means that the subsidized premiums being offered under the program are not subject to market forces, and are in many cases wildly out of proportion to the actual risk being incurred by the insured property.

In a particularly egregious example of this market distortion, wealthier homeowners who have built expensive vacation homes in locations which flood frequently, such as the Florida coast, are paying far less than the risky placement of their home would normally dictate. Thus, when those homes inevitably flood every time a hurricane hits, NFIP pays out more than it has taken in, and incurs debt. Because of flaws such as this, the program is already in debt to taxpayers by over \$25 billion.

Congress finally stepped up to try to resolve this problem, by passing the Biggert-Waters reforms back in 2012. These reforms force FEMA to draw new floodplain maps and then draw down NFIP's premium subsidies to more closely align prices with the real risk associated with each property – allowing for at least a semblance of market order within the program.

Obviously, in some cases the new FEMA maps would result in a sudden spike in premiums above what certain homeowners now experience. If some of these premium increases are excessive, then these can be adjusted within the law. Instead the Congress has responded by delaying the most important reforms, leaving the NFIP to continue subsidizing high-risk homes at the cost of eventually requiring a taxpayer bailout when the program hits its \$30 billion maximum debt.

Thus, I urge you to call your representatives and ask them to vote NO on the Homeowner Flood Insurance Affordability Act, H.R. 3370. We will count their vote as a KEY VOTE when calculating FreedomWorks' Economic Freedom Scorecard for 2014. The Scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes Members of Congress who consistently vote to support economic freedom.

Sincerely,

Matt Kibbe, President and CEO, FreedomWorks